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Multifamily Real Estate Market Summary for Benton and Washington Counties

This report is the sixteenth edition of the Skyline Report for Benton and Washington Counties—Multifamily Real Estate Market Analysis. Researchers at the Center for Business and Economic Research (CBER) 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 to understanding the overall residential market, particularly as low interest rates have made home ownership more appealing relative to leasing comparable residential space. The information contained in the following pages details the current condition of the multifamily market and sets the stage for future comparisons.

Highlights from the Second Quarter of 2008

- Vacancy rates for multifamily properties in Northwest Arkansas declined from the first quarter level of 13.1 percent to 12.8 percent in the second quarter of 2008. The second quarter 2008 vacancy rate was significantly higher than the second quarter 2007 vacancy rate of 9.9 percent.
- Siloam Springs had the lowest aggregate vacancy rate at 9.7 percent, down from 10.4 percent in the first quarter of 2008. Bentonville had the highest aggregate vacancy rate at 17.4 percent, up from 14.2 percent in the first quarter of 2008. The Fayetteville vacancy rate decreased 0.1 percent to 10.5 percent in the second quarter. Springdale had a decrease of 0.7 percent to a vacancy rate of 13.9 percent, and Rogers had a decrease in its rate to 14.5 percent in the second quarter of 2008.
- The average lease price per month for a multifamily property unit in Northwest Arkansas was up about \$12.57 to \$525.31.
- On a price per square foot basis, multifamily units were least expensive on average in Siloam Springs at \$0.55 per square foot and most expensive on average in Fayetteville at \$0.66 per square foot.



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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 table containing information about multifamily building permits issued in the last twelve months is shown second, followed by a short discussion about the kinds of properties that are being permitted. A table with announcements of coming multifamily projects 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 CBER survey respondents is discussed in relation to that population. Finally, vacancy rates, average unit sizes and average floor plan prices, all calculated from the survey sample, are presented on a regional basis.

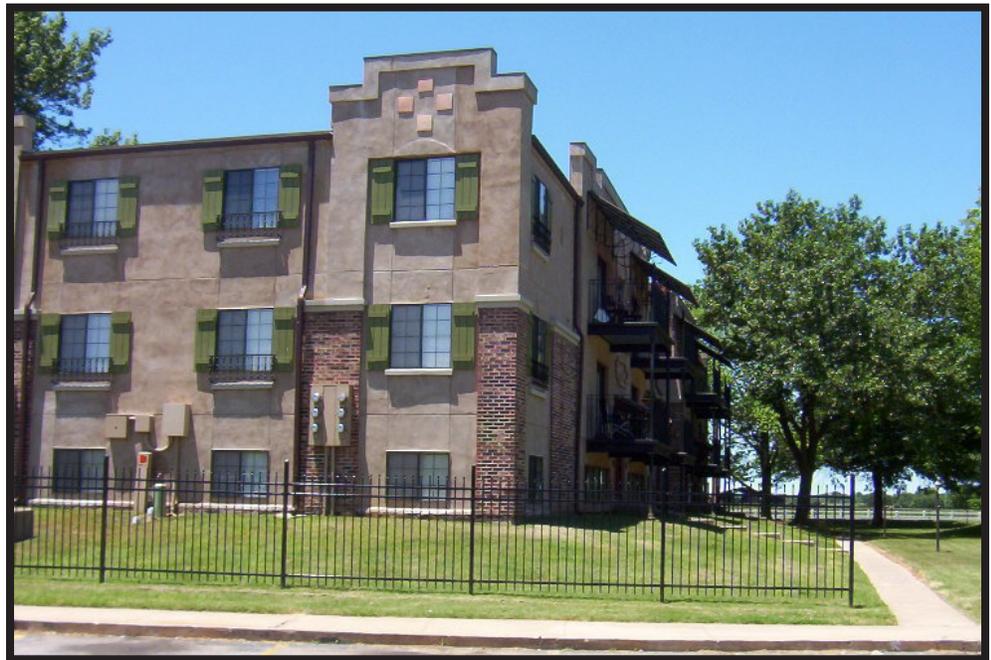
The report then turns to a more detailed city-by-city analysis. For this report, Bentonville, Fayetteville, Rogers, Siloam Springs, and Springdale were examined.

In order to collect this specific information about Northwest Arkansas multifamily

residential properties, Center for Business and Economic Research researchers 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 sixteenth 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.



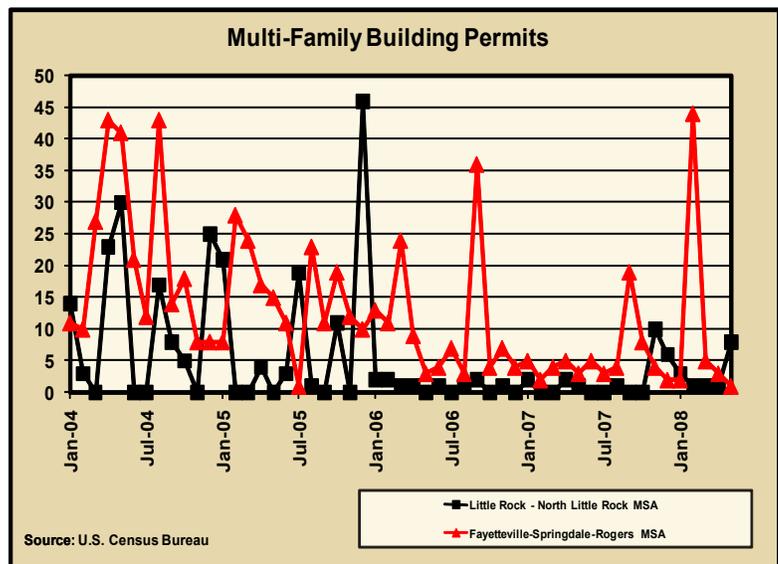
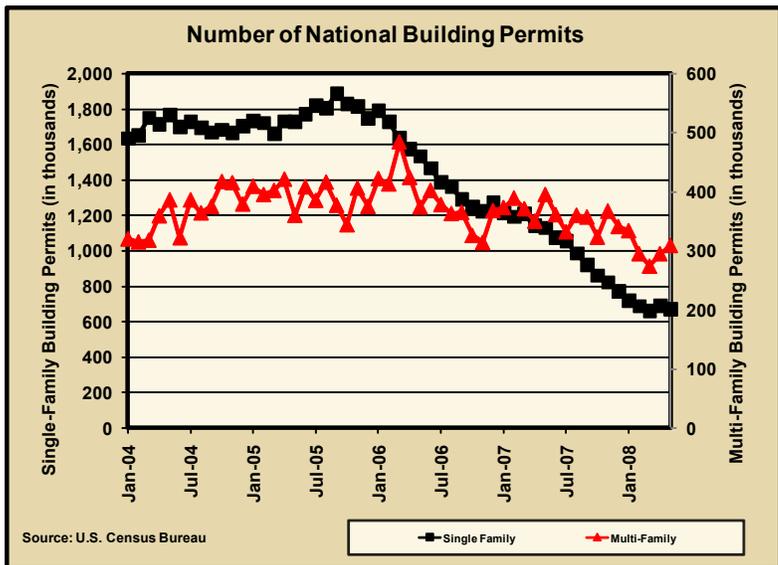
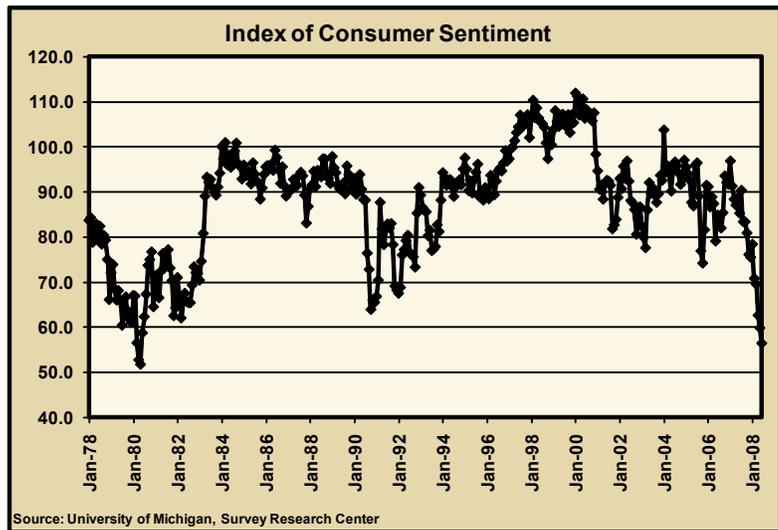
Economic Overview

It is useful to look at some key macroeconomic 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 declined to 56.4 in the June 2008 from 59.8 in May, and was significantly below the 85.3 recorded last June.

Richard Curtin, the Director of the Reuters/University of Michigan Surveys of Consumers said: "Surging gas prices, high food prices, disappearing jobs, declining home values, and record foreclosures were cited by consumers as the basis for their pessimism, and most consumers expected each of these problems to continue to worsen in the months ahead."

According to the report issued with the Consumer Sentiment Index, more consumers than any time since the first survey was conducted in 1946 reported that their financial situation had worsened (57%). Nine-in-ten consumers thought that the economy was in recession in June, with record numbers citing unfavorable news about rising prices, lost jobs, slowing economic growth, and the continuing fallout from the credit and housing crises. "Perhaps the most significant development in the past few months is that two-thirds of all consumers now expect the economic slump to extend into the next several years," said Curtin. Inflation expectations also rose in June to their highest levels in more than two decades. Although much lower, long term inflation expectations also reached a decade peak in the June survey.

The U.S. Census Bureau estimates the issuance of building permits. The January to May of 2008 national level of multifamily building permits continued to deteriorate from the levels seen in 2007. Multifamily building permits declined during the first three months of 2008 and then started to increase in April and May, while single

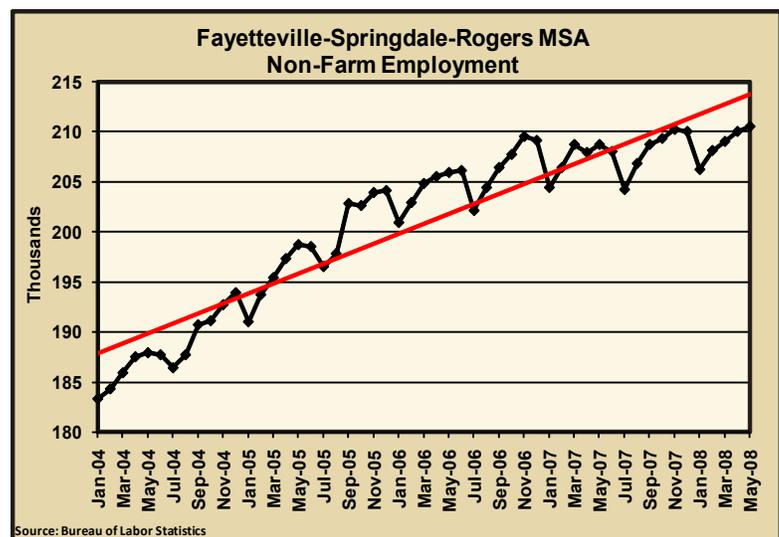
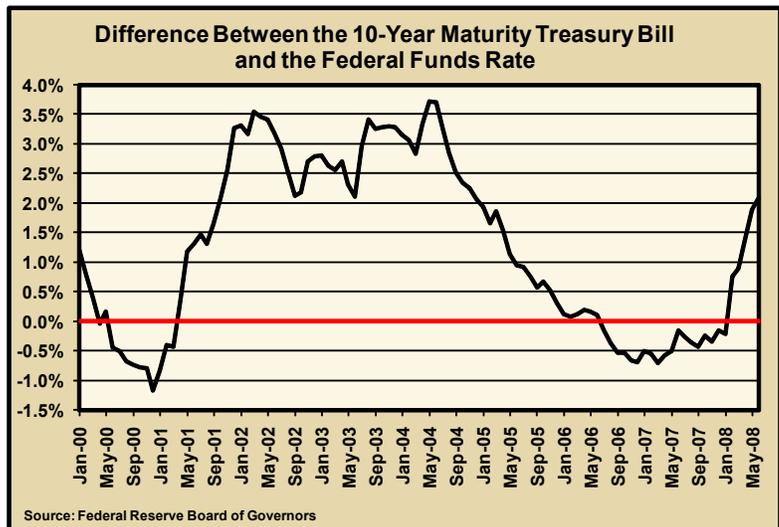
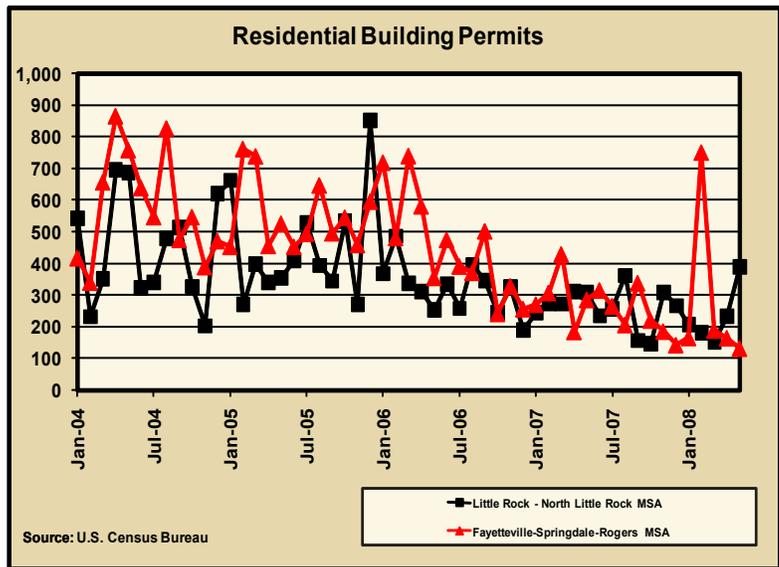


Economic Overview

family building permits increased in April before sliding back down in May 2008.

Turning to the two major metropolitan areas in Arkansas, the Fayetteville-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. Interestingly, despite its much smaller population, the FSR metro area had a greater number of multifamily building permits than the LR metro area from February to April of 2008. Despite a great deal of seasonal variation, the trends of the multifamily building permits and total building permits in the both metropolitan areas have declined since the highs seen in 2004 and 2005. 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 Reserve stopped implementing decreases in short term interest rates. The Fed Funds rates averaged 2.0 percent at the end of June. According to the Fed's Chairman, Ben Bernanke, despite the unwelcome rise in the unemployment rate, the recent incoming data, taken as a whole, have affected the outlook for economic activity and employment only modestly. Indeed, although activity during the second quarter is likely to be weak, the risk that the economy has entered a substantial downturn appears to have diminished over the past month or so. Over the remainder of 2008, the effects of monetary and fiscal stimulus, a gradual ebbing of the drag from residential construction, further progress in the repair of financial and credit markets, and still-solid demand from abroad should provide some offset to the headwinds that still face the economy. However, the ongoing contraction in the housing market and continuing increases in energy prices suggest that growth risks remain on the



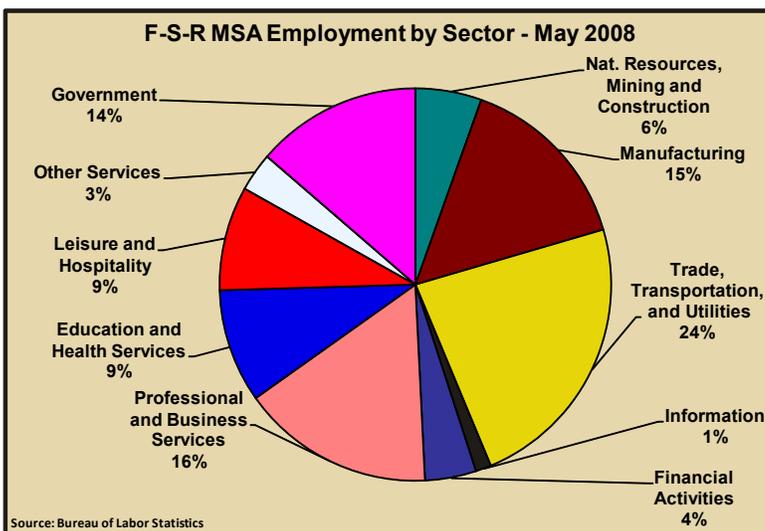
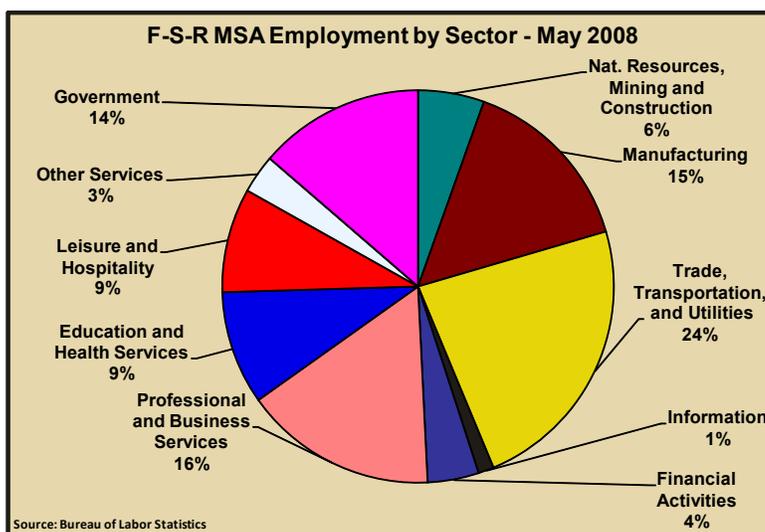
Economic Overview

downside. In order to strengthen consumer protections, the Fed will issue new rules on mortgage lending in July, using its authorities under the Home Ownership and Equity Protection Act.

The ten year constant maturity Treasury bill had an interest rate of 4.1 percent in June 2008. The growth of short-term rates was less than the increase in long-term interest rates, implying an increase in the spread between the two. The accompanying figure shows the spread between the Fed Funds Rate and the ten year Treasury bill since January 2000. In June 2008, the spread was a 2.1 percent. The positive spread is important as it has typically been a sign of strong economy.

In order to delve more closely into the makeup of the job growth in Northwest Arkansas, two additional figures are provided. The first shows the May 2008 Fayetteville-Springdale-Rogers MSA employment breakdown by sector. As the pie chart shows, trade, transportation, and utilities have the largest share of employment (24 percent) in Northwest Arkansas, followed by professional business services (16 percent), manufacturing (15 percent), government (14 percent), and lastly education and health services or leisure and hospitality (9 percent). The second figure shows the annual percentage change in the MSA's employment by sector from May 2007 to May 2008. Total nonfarm employment increased by 0.9 percent during that time, so those sectors with larger employment growth rates are increased in relative impact and those sectors with smaller employment growth rates decreased in relative impact. Education and health services, information, other services, government, leisure and hospitality, professional and business services, and financial activities sector had the largest percentage increases.

According to the Bureau of Labor Statistics, the unemployment rate in Northwest



Arkansas was at a preliminary seasonally +non-adjusted 4.0 percent in May 2008. This is 0.3 percentage points higher than in May of 2007. The unemployment rate in Northwest Arkansas continues to outperform both the state (5.0 percent) and nation (5.2 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 Fayette-

ville, 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. Finally, multifamily properties serve as transitional housing for those who



Condo Market

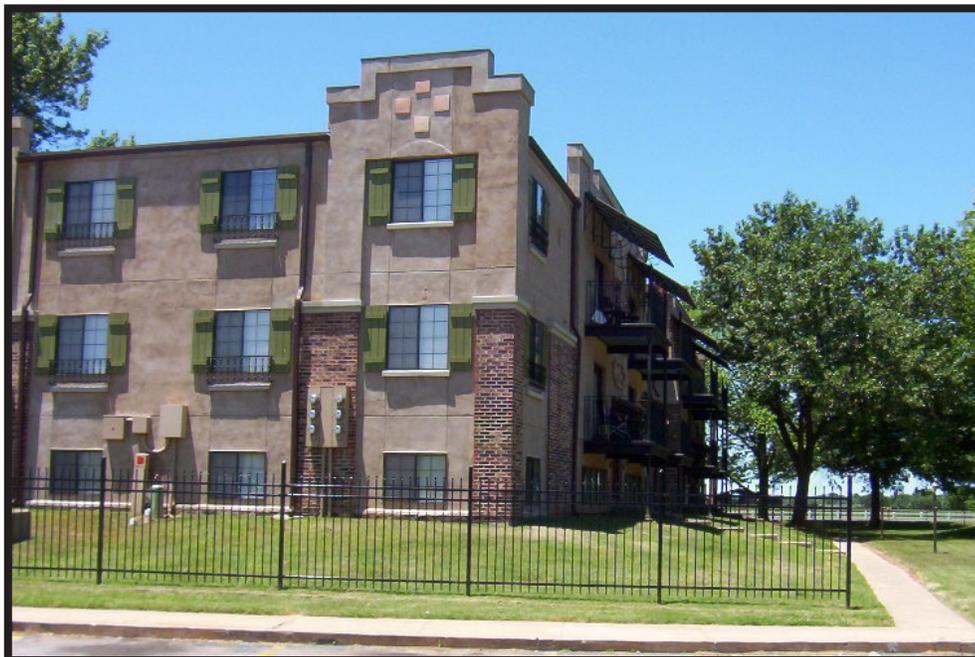
are between single family residences or for those who are unlikely to remain in a particular location long enough to make the purchase of a house make economic sense. The growth in the number of executive suites in Northwest Arkansas is a testament to demand driven by transitional factors. Additionally, in Rogers and Bentonville, a number of upscale properties with monthly leases comparable to monthly mortgage payments have entered 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 deserves mention. In the past twelve months, condominium projects have been announced in each of the cities that the Skyline Report tracks. In Fayetteville, there are three kinds of condominium projects coming on the market—luxury high-rise buildings, located downtown and on Dickson Street, condominiums that are one part of mixed-use developments and more affordable condominiums in building complexes being built on the edges of town. In Rogers, there have also been some condominium projects announced in building complexes. The other market trend that is beginning to appear is the conversion of some high-end apartment

complexes into condominiums and their reconversion to apartment complexes. A prime example is the changeover of Bristol Gardens on the Creek 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 \$86 and \$500 per square foot, with average square footages varying between 500 and 3,500 square feet. In Fayetteville, these properties account for 2,148 units and in Rogers there are about 569 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
Grandview Heights	Beaver Lake	360	1,000 - 2,600	\$300-\$500
Willowbrooke Farms	Bentonville			
932 Garland	Fayetteville	37		
Arcadian Village	Fayetteville	12		
Champions Club Condos	Fayetteville	143	911-1,750	\$197-\$285
Chestnut Condos	Fayetteville	10		
Chevuax Court Condominiums	Fayetteville	58	1,260	
Frisco Depot Condos	Fayetteville	200		
Lofts at Underwood Plaza	Fayetteville	54	600-2,600	\$333-\$500
Mill at West End	Fayetteville	17	900-1,200	\$200
Pines at Springwoods	Fayetteville	122	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
St Charles Plaza	Fayetteville	70		\$295-\$325
Stonebridge Meadows	Fayetteville	115		
Summit	Fayetteville	298		
Sycamore Condominiums	Fayetteville	25	560-1,100	\$200
The Dickson	Fayetteville	20		
University Club Tower	Fayetteville	80	1,700-3,500	
Village on Shiloh	Fayetteville	198	1,180-1,337	\$97+
Wedington Circle Condominiums	Fayetteville	296		\$150-\$200
Woodstock Community	Fayetteville	224		
Avignon Court	Rogers	61	1,350	\$107
Stuckey West Condos	Rogers	32	1,500	\$250
Sunset Drive Condos	Rogers	100	1,500	\$350
Walnut Crossing	Rogers	50		
Woodbridge Condominiums	Rogers	326	1,500-1,800	\$113-\$130
Creekview Flats	Siloam Springs	5	2,400	\$100-\$102
The Grove at Chester Hills	Springdale	134	1,150-1,350	\$86-\$107



Building Permits

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. Six of these were located in Fayetteville, one in Springdale, one in Bentonville, and two were located in Rogers. The Fayetteville projects involve the construction of the Leverett Commons townhomes, Sunbridge Villa Duplexes, Wyngate Townhomes, the Village on Shiloh apartments, Hometown Development 4-plexes, and the Links at Fayetteville. The Springdale project is the Berryfield Apartments. The Bentonville project is the Copperstone Apartments. The Rogers projects are Avignon Court and Roller's Ridge Apartments.



The business press was examined to formulate the attached table of announced new

projects. These projects are in addition to those that have already been mentioned in the building permit section 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.

Multifamily Residence Building Permits June 2007 - May 2008

Date	Complex or Developer	Number of Permits	Total Value of Permits	City
6/1/2007	Avignon Court	31	\$3,224,000	Rogers
9/4/2007	Leverett Commons Townhomes	1	\$1,063,979	Fayetteville
9/4/2007	Sunbridge Villa Duplexes	2	\$1,166,738	Fayetteville
9/6/2007	Copperstone Apartments	16	\$12,604,848	Bentonville
10/23/2007	Sycamore Condominiums	1	\$582,000	Fayetteville
10/23/2007	Wyngate Townhomes	5	\$3,472,707	Fayetteville
10/25/2007	Berryfield Apartments	6	\$5,694,480	Springdale
11/29/2007	Village on Shiloh	2	\$3,495,912	Fayetteville
2/4/2008	Hometown Development 4-plexes	5	\$1,756,280	Fayetteville
2/12/2008	The Links at Fayetteville	43	\$48,889,443	Fayetteville
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
	Total	118	\$85,889,096	



New Projects

Announcements of New Projects

Complex	Developer	Construction Costs	Number of Units	City
Grandview Heights	E & S Development and Properties	\$100,000,000	460	Beaver Lake
Chateau on Chardonnay	Rex Fox and Frank Farrer		22	Bentonville
Elm Tree Place			8-12	Bentonville
Greenhouses at Legacy Village		\$1,040,000		Bentonville
Legacy Village	Northwest Arkansas Senior Services	\$4,000,000	153	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
932 Garland*	Steve Mansfield		37	Fayetteville
Arbors at Springwoods	EPCON Communities of Northwest Arkansas		122	Fayetteville
Beacon Flats	Beacon Flats LLC	\$1,500,000	9	Fayetteville
Champions Club Condos*	Wes Bradley and Jack Matta	\$40,000,000	141	Fayetteville
Chestnut Condos*	Robert Schmitt	\$955,784	10	Fayetteville
College Avenue Townhomes			20	Fayetteville
Forest Hills Development	Forest Hills Development			Fayetteville
Frisco Depot Condos*	MansfieldHouse Ventures		200	Fayetteville
Hill Place	Hank Broyles (Place Properties Inc.)	\$45,000,000	288	Fayetteville
Huntsville and Goff Farms Rd PZD				Fayetteville
Links at Fayetteville	Jim Lindsey	\$48,900,000	1,200	Fayetteville
Lofts at Underwood Plaza*	AMA and John Nock	\$22,500,000	54	Fayetteville
Mountain Ranch			288	Fayetteville
Nantucket Apartments Phase III	Thomas J. Embeck	\$4,040,000	42	Fayetteville
Pebble Creek Flats	Art Scott		66	Fayetteville
Pines at Springwoods	Don Marley	\$27,000,000	122	Fayetteville
Renaissance Towers*	John Nock and AMA	\$30,000,000	20	Fayetteville
Ridgehill Apartments	Barber Group		36	Fayetteville
Ruskin Heights*	Davis, Hooker, VanVeen		183	Fayetteville
Skate Place Condominiums*	Robert Schmitt	\$5,100,000	34	Fayetteville
Sligo Street Apartments	Jamerson Properties LLC	\$585,000	16	Fayetteville
St Charles Plaza	Greg House		70	Fayetteville
Stone Bridge Meadows*	Nock-Broyles Development LLC		155	Fayetteville
Summit*	Hank Broyles		294	Fayetteville
Sycamore Condominiums*	Marc Crandall and Jeff Collins	\$4,000,000	25	Fayetteville
University Club Tower*	David Chapman	\$30-40,000,000	80	Fayetteville
Village on Shiloh*	Triton Homes	\$20,000,000	198	Fayetteville
Villas at Stonebridge			263	Fayetteville
Wedington Circle Condominiums*	Greg House and Steve Mansfield		296	Fayetteville
Woodstock Community*	Hank Broyles and John Nock		328	Fayetteville
Lowell Station	Hollis Cunningham		488	Lowell
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
Stuckey West Condos*	Garth Symonds		32	Rogers
Sunset Drive Condos*	Garth Symonds		100	Rogers
Valley West Drive Project	Kim Fugitt	\$1,350,000	15	Rogers
Walnut Crossing	Greg House		350	Rogers
Woodbridge Condominiums*	Landquest		326	Rogers
Kenwood Development	Bar and Shield Development LLC		160	Siloam Springs
Berryfield Apartments	RB Construction	\$5,694,480	96	Springdale
Dick Smith Duplexes	Moulden Construction	\$3,500,000	30	Springdale
Remington Place Apartments	Remington Place Apartments LLC	\$13,000,000	192	Springdale

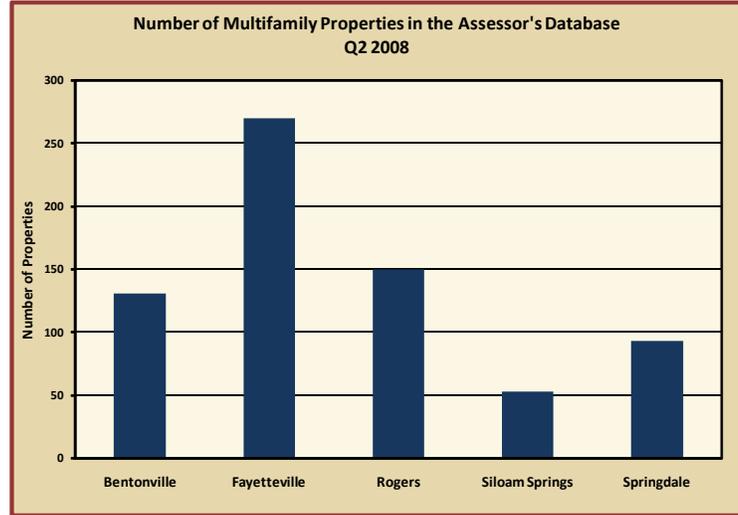
*indicates condominiums.



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, Center for Business and Economic Research researchers 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 270, totaling almost 4.4 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 second



quarter of 2008 was 697 with a total size of almost 13.4 million square feet.

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 second quarter of 2008, information was collected on 83.3 percent of the existing square footage of multifamily properties, the same as in the first 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

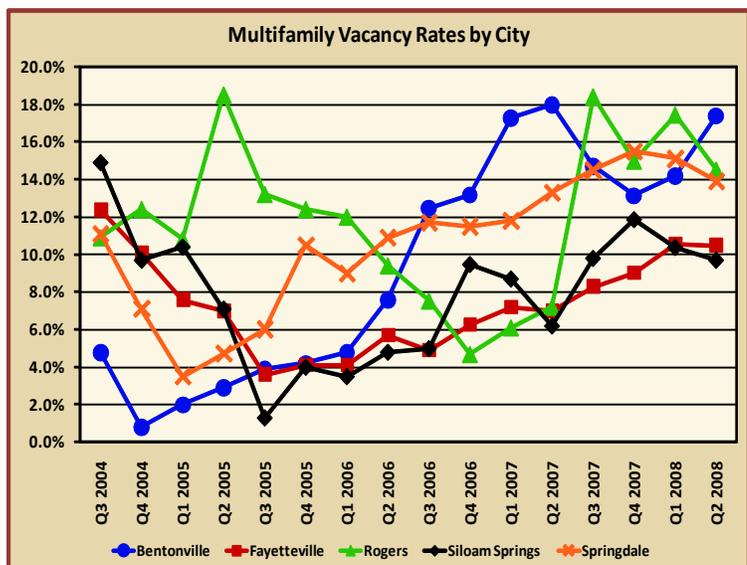
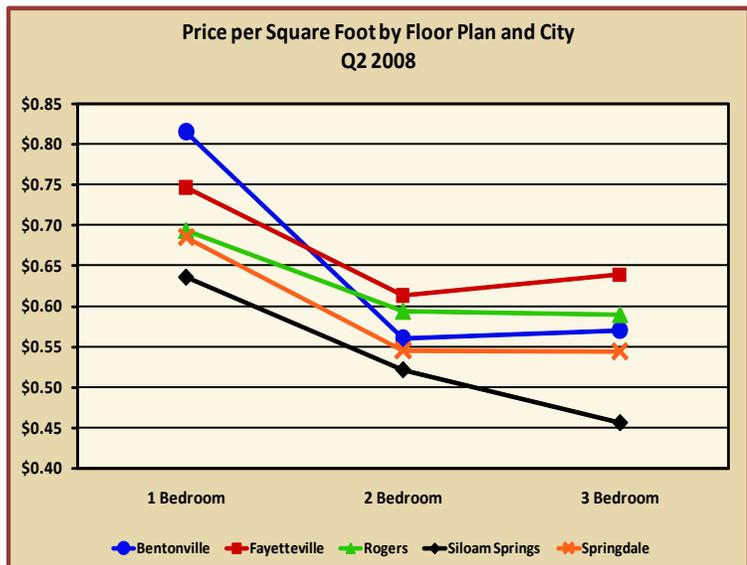
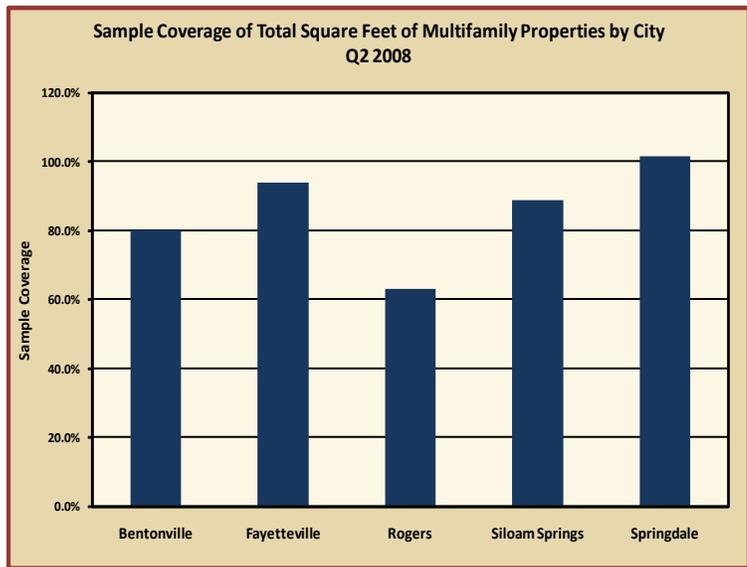
Total Inventory of Multifamily Properties and Sample Coverage Q2 2008

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	131	3,156,113	114	2,569,594	80.2%
Fayetteville	270	4,366,468	263	4,106,463	94.0%
Rogers	150	3,560,683	74	2,649,353	63.2%
Siloam Springs	53	692,037	38	615,591	89.0%
Springdale	93	1,622,078	81	1,662,664	101.7%
Northwest Arkansas	697	13,397,379	570	11,603,665	83.3%



Multifamily Properties

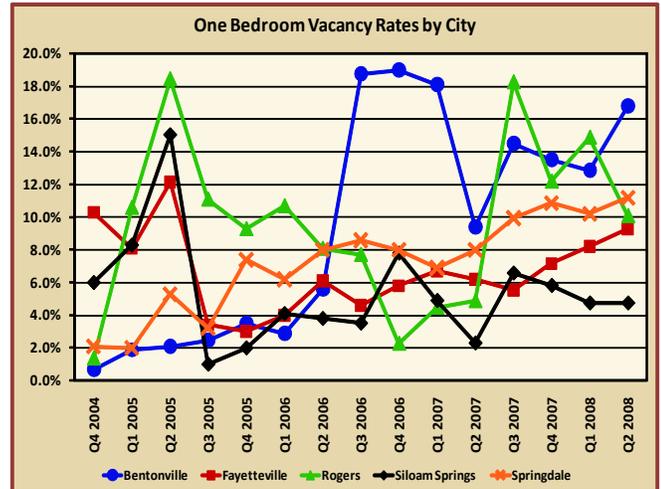
housing, extrapolating the results to the entire population is entirely reasonable. Within the second quarter 2008 survey sample, there were 25,001 total units in 570 multifamily residential properties. These properties had a combined vacancy rate of 12.8 percent, down from 13.1 percent in the first quarter of 2008. The highest vacancy rate was in Bentonville, at 17.4 percent and the lowest vacancy rate was in Siloam Springs at 9.7 percent. In the second quarter of 2008, Fayetteville had a vacancy rate of 10.5 percent, Rogers had a vacancy rate of 14.5 percent, and Springdale had a vacancy rate of 13.9 percent. Within the sample, the average lease price per month in Northwest Arkansas was \$525.31, up from \$512.74 in the first quarter. The average size of a unit was 841 square feet, up from 823 square feet in the previous quarter. The average monthly price per square foot of a multifamily property was \$0.62, the same as in the first quarter of 2008. Breaking down the price and square footage by floor plan yields other interesting statistics. On a price per square foot basis, the least expensive floor plans had two bedrooms at \$0.58. The most expensive floor plans, on average, were studio apartments at \$1.08 per square foot per month.



Multifamily Properties

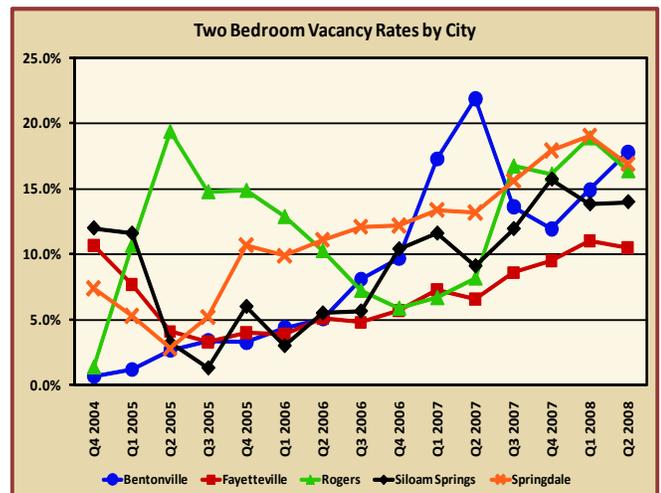
Sample Vacancy Rates

Market Area	Number of Apartment Complexes	Number of Units	Q2 2008 Vacancy Rate	Q1 2008 Vacancy Rate	Q2 2007 Vacancy Rate
Bentonville	114	3,365	17.4%	14.2%	18.0%
Fayetteville	263	11,058	10.5%	10.6%	7.0%
Rogers	74	4,039	14.5%	17.4%	7.2%
Siloam Springs	38	1,079	9.7%	10.4%	6.2%
Springdale	81	5,460	13.9%	15.1%	13.3%
NWA	570	25,001	12.8%	13.1%	9.9%



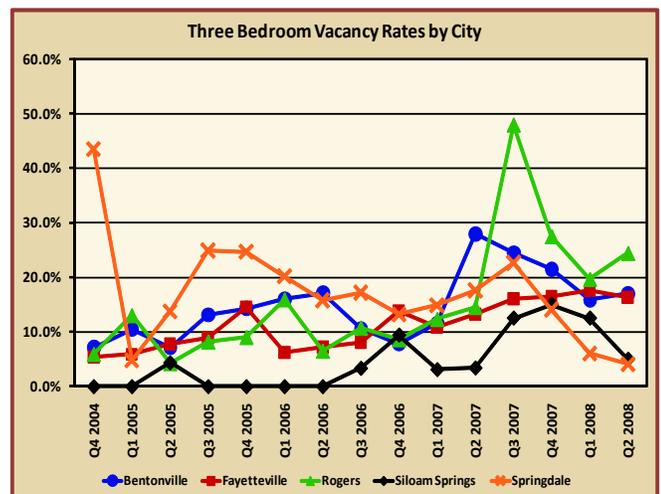
Average Size and Price by Floor Plan Q2 2008

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	417	\$449.87	\$1.08
1 Bedroom	605	\$442.07	\$0.73
2 Bedroom	913	\$533.12	\$0.58
3 Bedroom	1,218	\$718.49	\$0.59
4 Bedroom	1,216	\$718.97	\$0.59
NWA	841	\$525.31	\$0.62

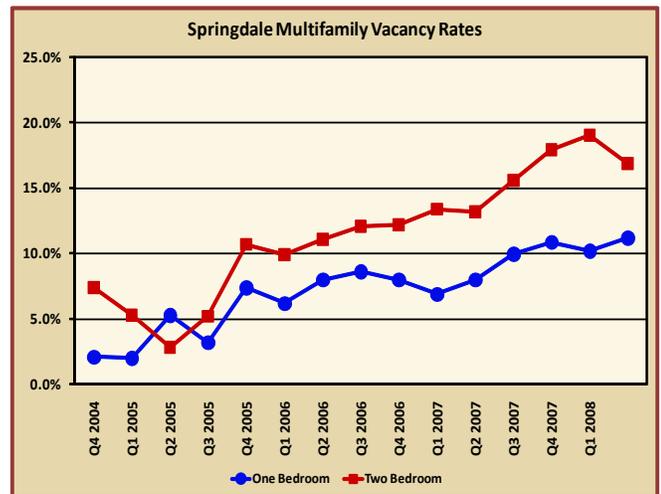
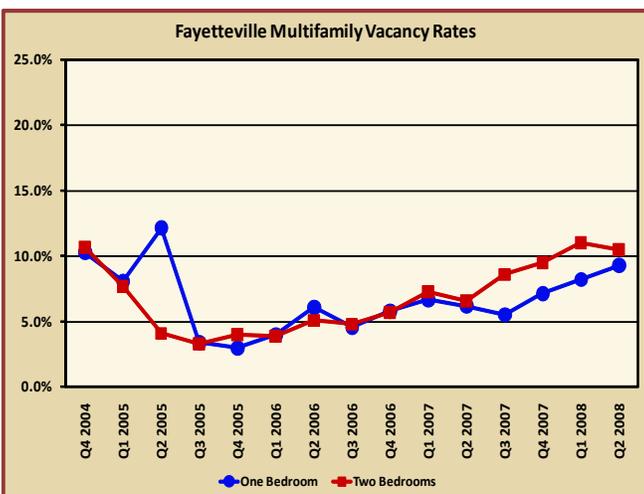
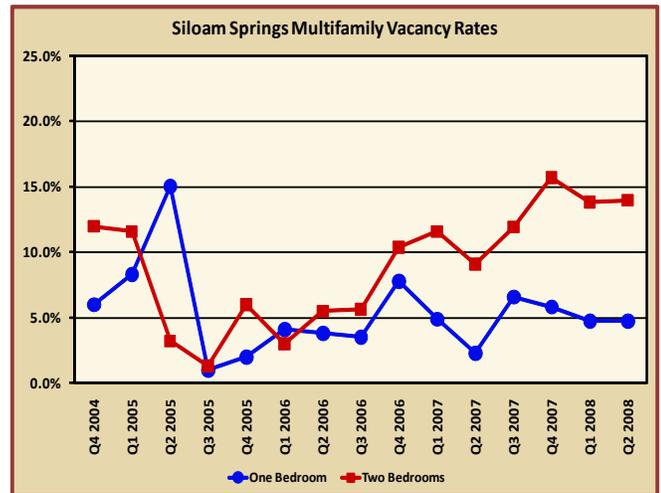
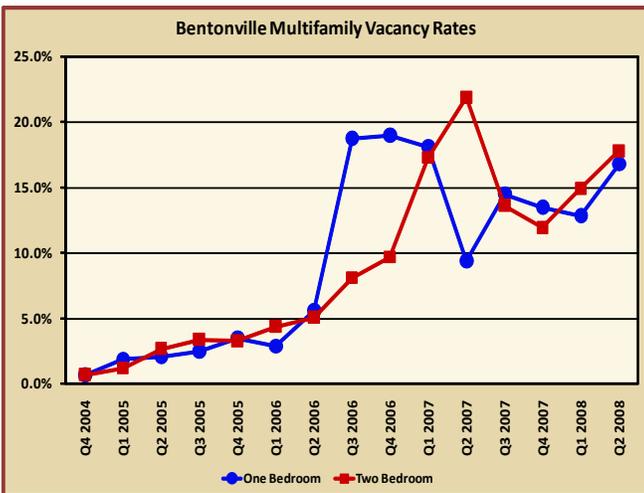
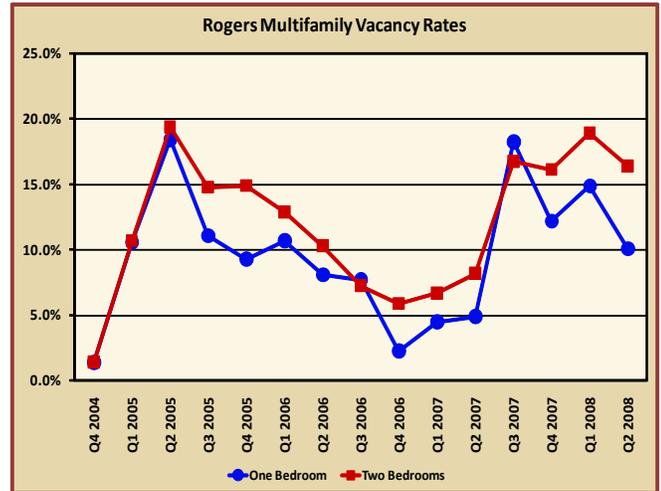
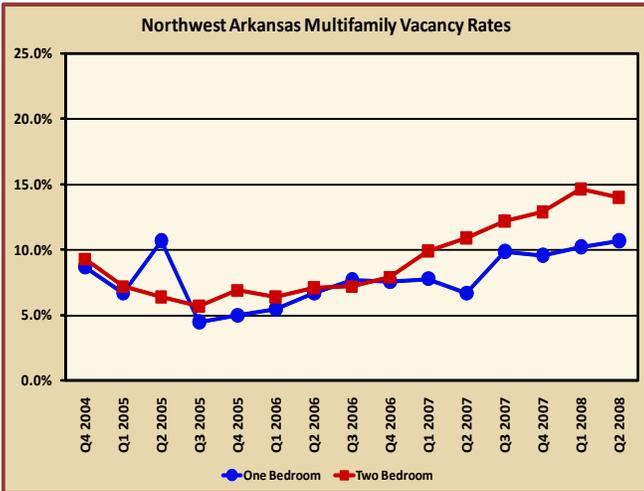


Vacancy Rates by Floor Plan Q2 2008

Market Area	1 Bedroom	2 Bedroom	3 Bedroom
Bentonville	16.8%	17.8%	17.0%
Fayetteville	9.3%	10.5%	16.4%
Rogers	10.1%	16.4%	24.4%
Siloam Springs	4.7%	14.0%	5.0%
Springdale	11.2%	16.9%	4.1%
NWA	10.7%	14.0%	13.8%



Multifamily Properties

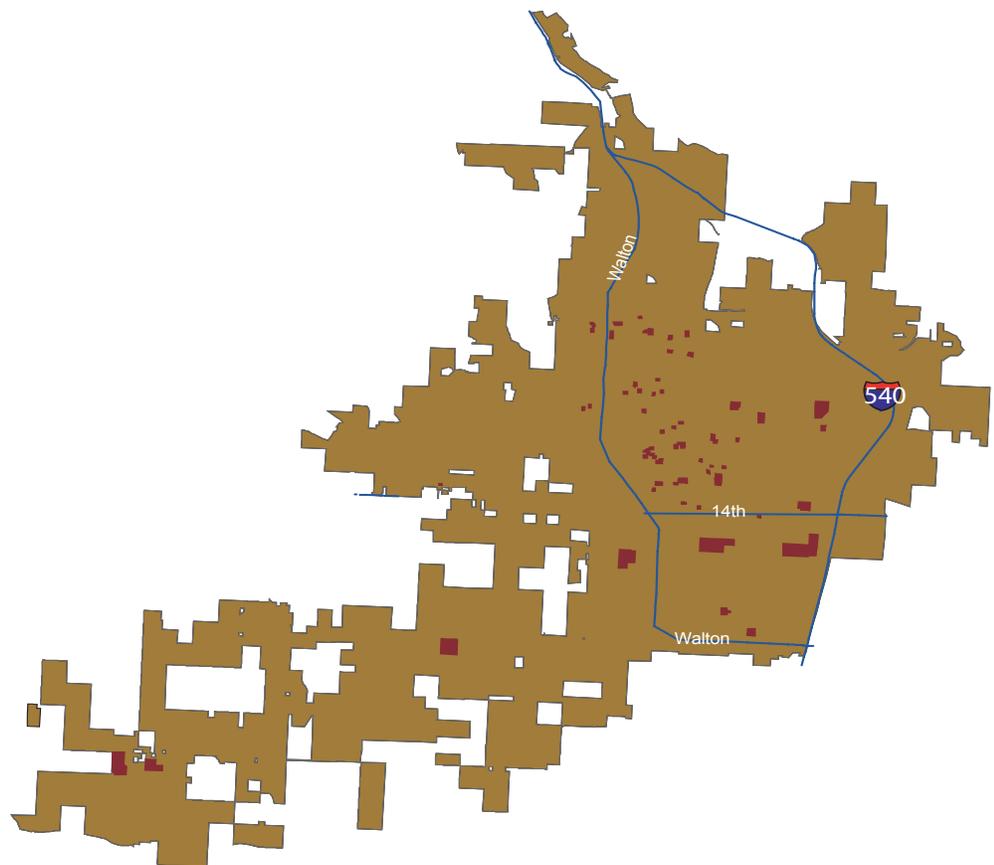


Bentonville

- In the database from the office of the Benton County Assessor, there were 131 multifamily properties in Bentonville in the second quarter of 2008. These properties comprised 3,156,113 square feet.
- The 114 Bentonville Skyline Report survey respondents accounted for 80.2 percent of the square footage of all of the multifamily properties in the city.
- In the 3,365 units that were reported by Skyline Report survey respondents, there was a 17.4 percent vacancy rate, up from 14.2 percent in the first quarter of 2008.
- The average lease rate of all units in Bentonville was \$532, while the average size of a unit was 870 square feet.
- The monthly leases for Bentonville multifamily properties averaged between \$0.56 per square foot for a two 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 a few properties.

Average Unit Size and Price by Floor Plan Q2 2008

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	330	\$330.00	\$1.00
1 Bedroom	623	\$508.57	\$0.82
2 Bedroom	922	\$517.11	\$0.56
3 Bedroom	1,211	\$691.29	\$0.57
4 Bedroom	600	\$360.00	\$0.60
Bentonville	870	\$531.90	\$0.61

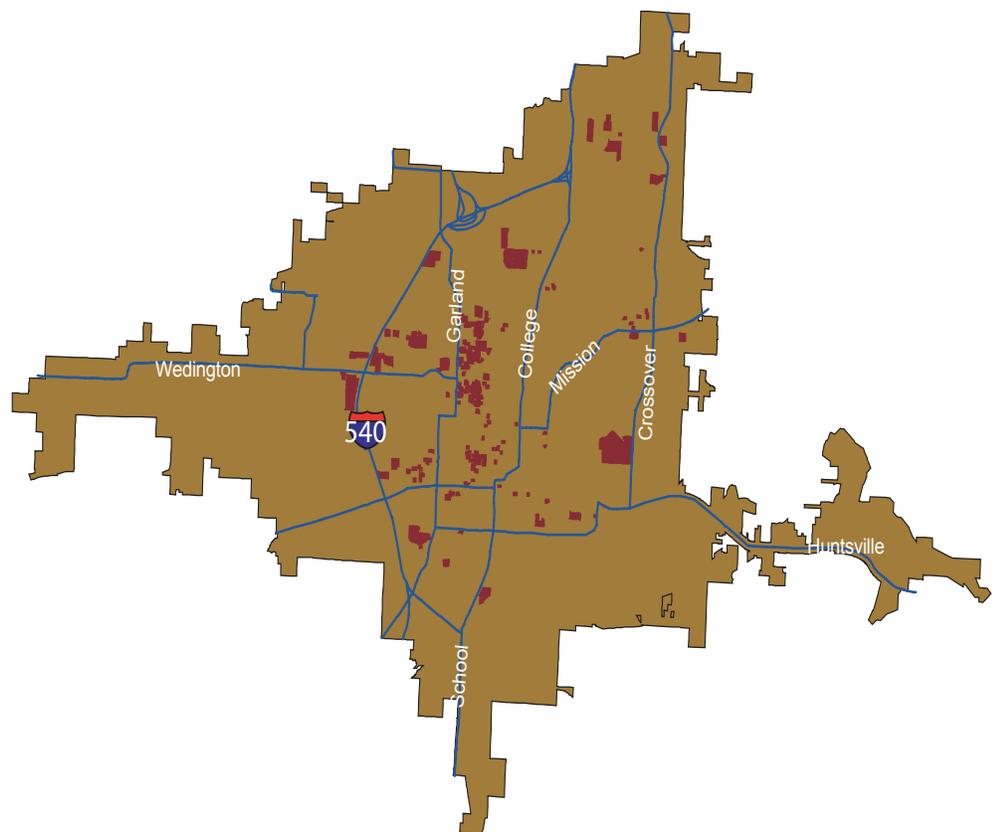


Fayetteville

- In the database from the office of the Washington County Assessor, there were 270 multifamily properties in Fayetteville in the second quarter of 2008. These properties comprised 4,366,468 square feet.
- The 263 Fayetteville Skyline Report survey respondents accounted for about 94.0 percent of the square footage of all of the multifamily properties in the city.
- In the 11,058 units that were reported by Skyline Report survey respondents, there was an 10.5 percent vacancy rate, down slightly from the first quarter rate of 10.6 percent.
- The average price of all units in Fayetteville was \$547, while the average size of a unit was 833 square feet.
- The monthly leases for Fayetteville multifamily properties averaged between \$0.61 per square foot for a two bedroom to \$0.90 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 Q2 2008

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	420	\$376.93	\$0.90
1 Bedroom	598	\$446.62	\$0.75
2 Bedroom	916	\$561.77	\$0.61
3 Bedroom	1,246	\$796.10	\$0.64
4 Bedroom	962	\$733.57	\$0.76
Fayetteville	833	\$547.30	\$0.66

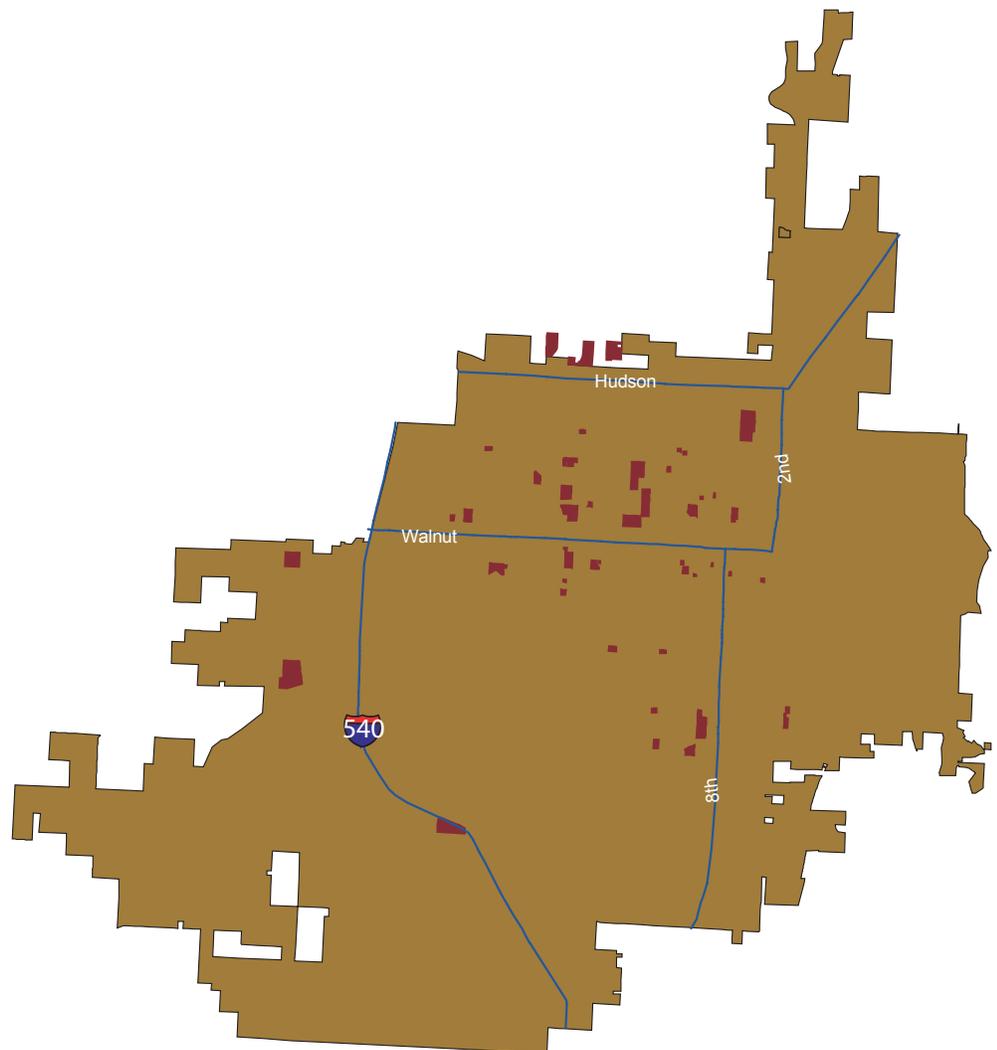


Rogers

- In the database from the office of the Benton County Assessor, there were 150 multifamily properties in Rogers in the second quarter of 2008. These properties comprised 3,560,683 square feet.
- The 74 Rogers Skyline Report survey respondents accounted for 63.2 percent of the square footage of all of the multifamily properties in the city.
- In the 4,039 units that were reported by Skyline Report survey respondents, there was a 14.5 percent vacancy rate in the second quarter of 2008, down from 17.4 percent in the first quarter of 2008.
- The average price of all units in Rogers was \$555, while the average size of a unit was 904 square feet.
- The monthly leases for Rogers's multifamily properties averaged between \$0.53 per square foot for a four bedroom apartment to \$4.71 per square foot for a studio.
- 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 Q2 2008

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	510	\$2,400.00	\$4.71
1 Bedroom	653	\$453.20	\$0.69
2 Bedroom	939	\$557.36	\$0.59
3 Bedroom	1,214	\$715.60	\$0.59
4 Bedroom	3,000	\$1,600.00	\$0.53
Rogers	904	\$555.31	\$0.61

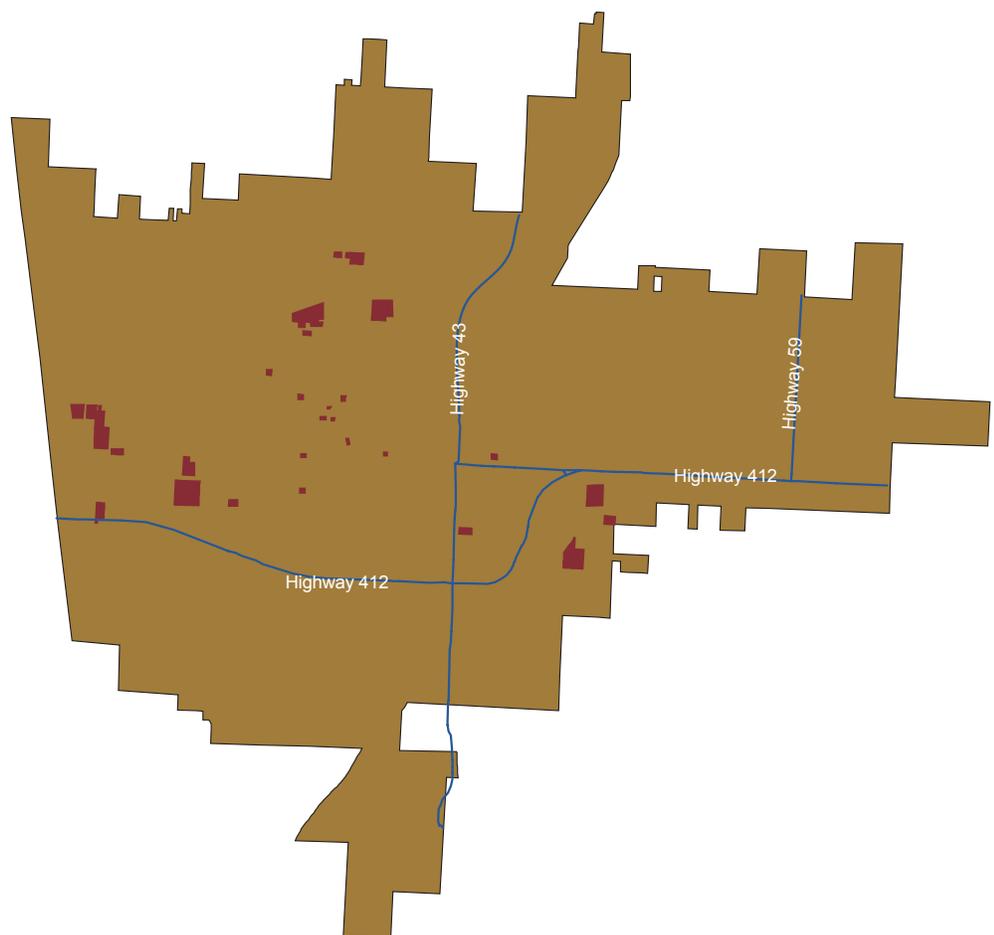


Siloam Springs

- In the database from the office of the Benton County Assessor, there were 53 multifamily properties in Siloam Springs in the second quarter of 2008. These properties comprised 692,037 square feet.
- The 38 Siloam Springs Skyline Report survey respondents accounted for 89 percent of the square footage of all of the multifamily properties in the city.
- In the 1,079 units that were reported by Skyline Report survey respondents, there was a 9.7 percent vacancy rate, down from the 10.4 percent vacancy rate in the first quarter of 2008.
- The average price of all units in Siloam Springs was \$443 while the average size of a unit was 812 square feet.
- The monthly leases for Siloam Springs multifamily properties average between \$0.46 per square foot for a three bedroom apartment to \$0.91 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 Q2 2008

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	387	\$350.25	\$0.91
1 Bedroom	609	\$387.61	\$0.64
2 Bedroom	853	\$445.28	\$0.52
3 Bedroom	1,192	\$544.57	\$0.46
4 Bedroom	1,210	\$658.00	\$0.54
Siloam Springs	812	\$442.91	\$0.55



Springdale

- In the database from the office of the Washington County Assessor, there were 93 multifamily properties in Springdale in the second quarter of 2008. These properties comprised 1,622,078 square feet.
- The 81 Springdale Skyline Report survey respondents accounted for 101.7 percent of the square footage of all of the multifamily properties in the city.
- In the 5,460 units that were reported by Skyline Report survey respondents; there was a 13.9 percent vacancy rate, down from 15.1 percent in the first quarter of 2008.
- The average price of all units in Springdale was \$459, while the average size of a unit was 778 square feet.
- The monthly leases for Springdale multifamily properties averaged between \$0.54 per square foot for a three bedroom apartment to \$0.73 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 Q2 2008

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	430	\$313.00	\$0.73
1 Bedroom	570	\$390.73	\$0.69
2 Bedroom	889	\$485.21	\$0.55
3 Bedroom	1,103	\$600.58	\$0.54
4 Bedroom	--	--	--
Springdale	778	\$459.04	\$0.59

