




THE SKYLINE REPORT

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Center for Business and Economic Research

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Multifamily Real Estate Market Summary for Benton and Washington Counties

This report is the twentieth 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 Second Quarter of 2009

- Vacancy rates for multifamily properties in Northwest Arkansas increased from their first quarter level of 13.5 percent to 14.2 percent in the second quarter of 2009. The second quarter 2009 vacancy rate was also higher than the second quarter 2008 rate of 12.8 percent.
- Bentonville continued to have the lowest aggregate vacancy rate at 12.5 percent, up from 12.1 percent in the first quarter. Siloam Springs had the highest aggregate vacancy rate at 16.5 percent, up from 12.3 percent in the first quarter. The Fayetteville vacancy rate increased 1.1 percentage points to 15.6 percent and Rogers had an increase of 0.8 percentage points in its vacancy rate to 13.0 percent in the second quarter. Meanwhile, Springdale experienced a decline of 0.6 percentage points to a vacancy rate of 13.0 percent in the second quarter of 2009.
- The average lease price per month for a multifamily property unit in Northwest Arkansas went up slightly to \$526.36. 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 twentieth 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.



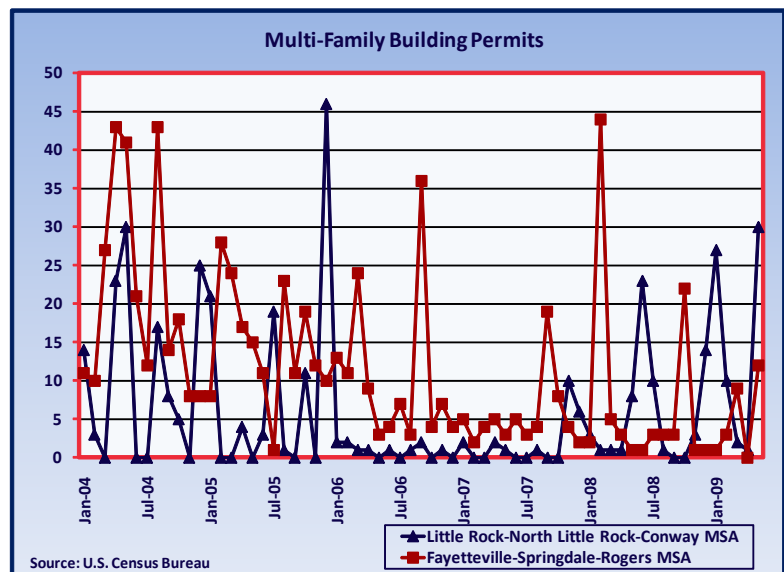
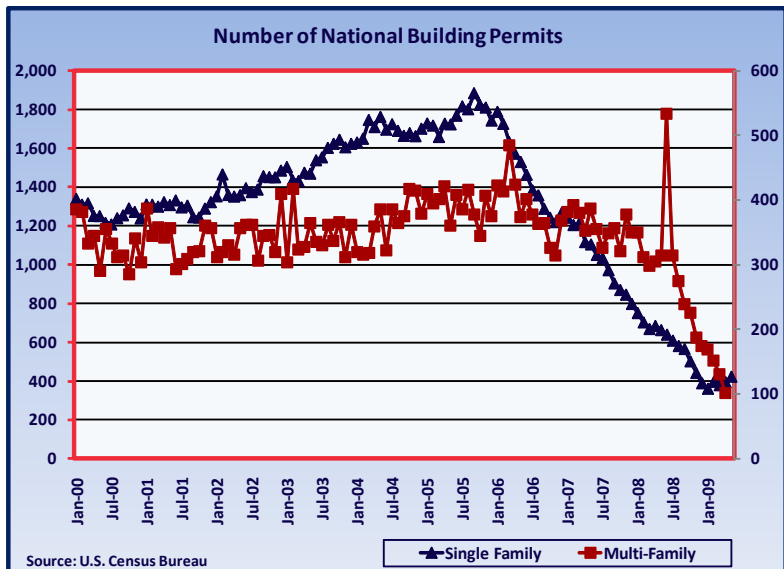
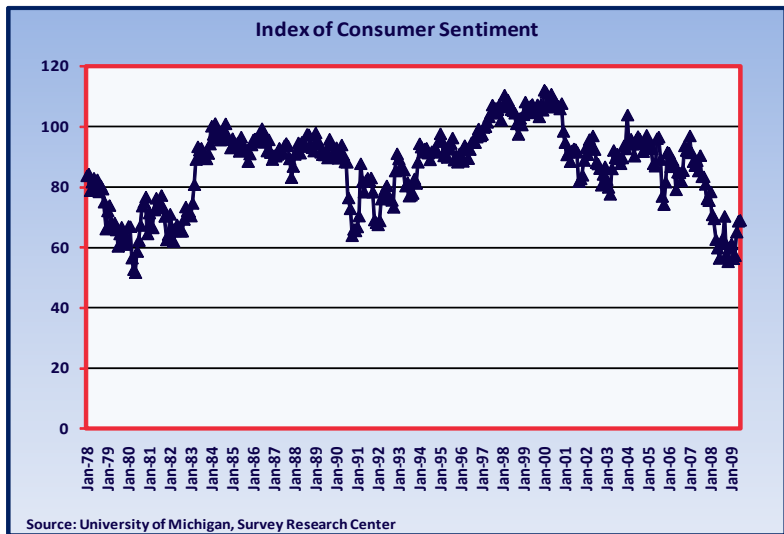
Economic Overview

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 70.8 in June 2009 survey, up from 68.7 in May, and well above the 56.4 recorded last June.

“Consumers have become convinced that the steepest economic declines are now over, but very few consumers anticipate a quick end to the recession,” according to Richard Curtin, the Director of the Reuters/University of Michigan Surveys of Consumers. The personal financial situation of consumers remained dismal in the June survey. “The majority of consumers reported that their financial situation had recently worsened, with income declines reported three times as frequently as income gains,” noted Curtin.

The U.S. Census Bureau estimates the issuance of building permits. The national level of multifamily building permits continued to deteriorate in 2009 from the levels seen in 2007 and even in 2008. Meanwhile, the single family building permits continued to slide during the first part of 2009, but showed modest gains in April and May.

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. Despite its much smaller population, the FSR metro area usually had a greater number of multifamily building permits than the LR metro area. This trend, however, reversed recently. With the exception of seasonal variation, the trends of the multifamily building permits and



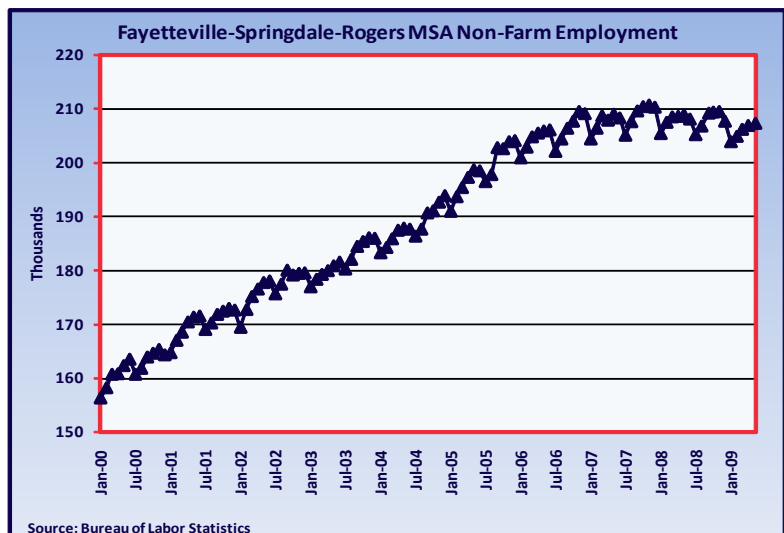
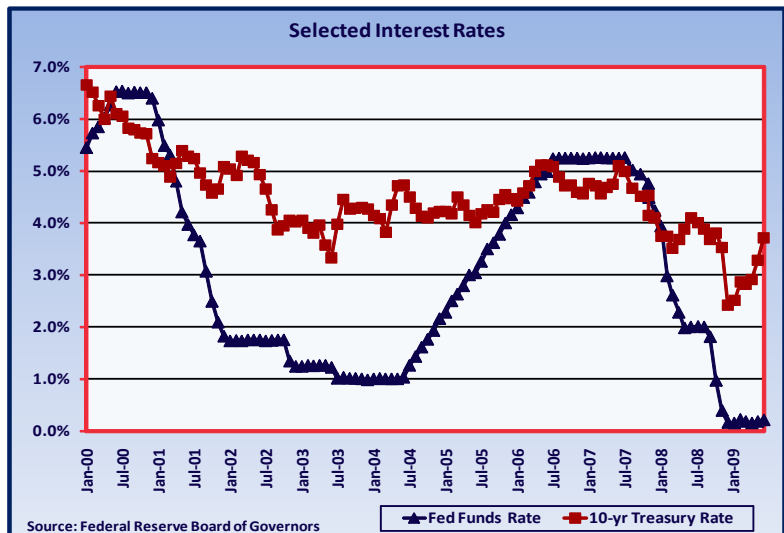
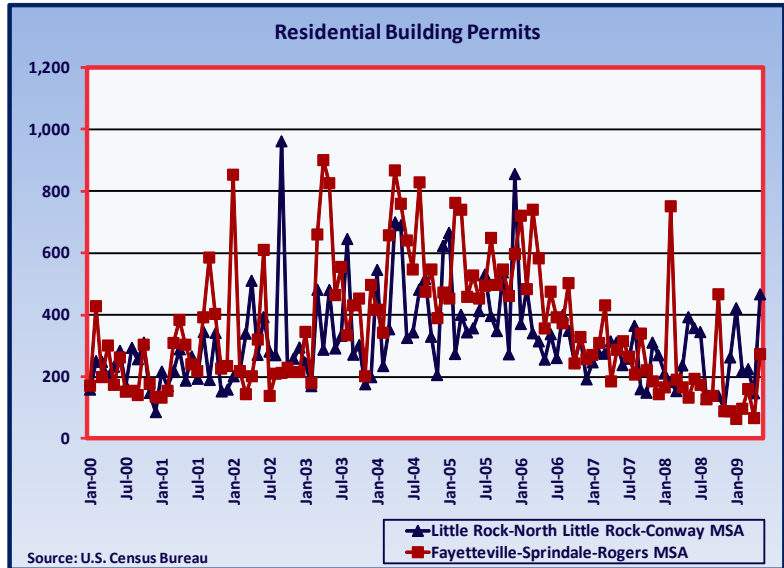
Economic Overview

total building permits in FSR metro area have continued to decline. Meanwhile, the levels of building permits in LR metro area continued to improve in 2009 compared to the 2008 levels.

The Federal Funds rates averaged 0.21 percent in June. According to the Federal Open Market Committee which sets interest rates, the Federal Reserve will employ all available tools to promote economic recovery and to preserve price stability. The Committee will maintain the target range for the federal funds rate at 0 to 0.25 percent and continues to anticipate that economic conditions are likely to warrant exceptionally low levels of the federal funds rate for an extended period. To provide support to mortgage lending and housing markets and to improve overall conditions in private credit markets, the Federal Reserve will purchase a total of up to \$1.25 trillion of agency mortgage-backed securities and up to \$200 billion of agency debt by the end of the year. In addition, the Federal Reserve will buy up to \$300 billion of Treasury securities by autumn. The Committee will continue to evaluate the timing and overall amounts of its purchases of securities in light of the evolving economic outlook and conditions in financial markets. The Federal Reserve is monitoring the size and composition of its balance sheet and will make adjustments to its credit and liquidity programs as warranted.

The ten year constant maturity Treasury bill had an interest rate of 3.72 percent in June 2009. Low short-term rates continue to cause the positive spread between the two. The accompanying figure shows the Fed Funds rate and the ten year Treasury bill rate since January 2000.

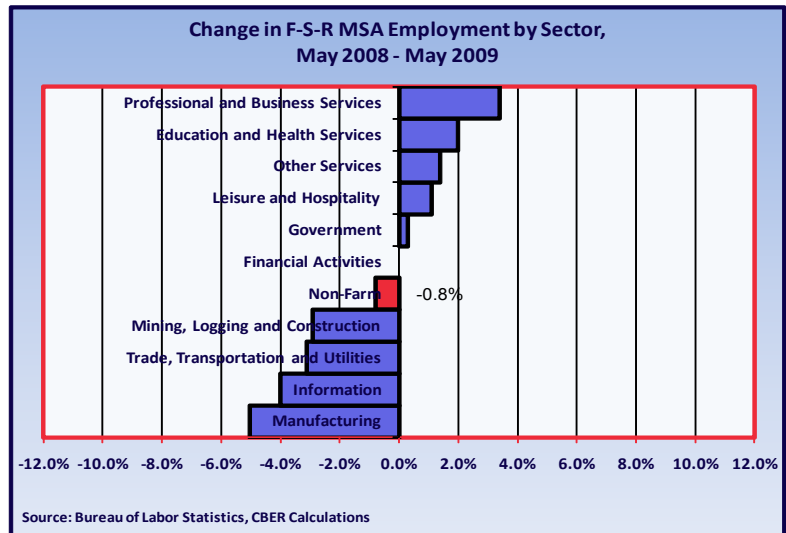
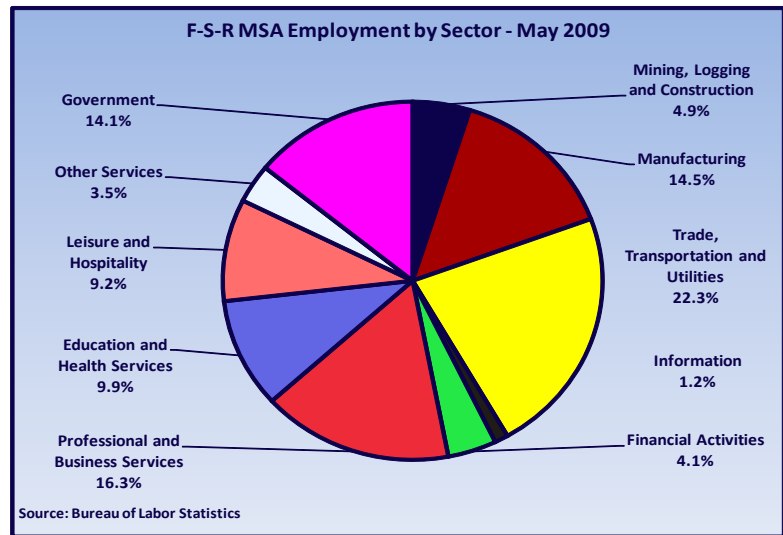
With the purpose of exploring more closely the composition of the job growth in Northwest Arkansas, two additional figures are provided. The first shows the May



Economic Overview

2009 Fayetteville-Springdale-Rogers MSA employment breakdown by sector. As the pie chart shows, trade, transportation, and utilities have the largest share of employment (22.3 percent) in Northwest Arkansas, followed by professional business services (16.3 percent), manufacturing (14.5 percent), government (14.1 percent), education and health services (9.9 percent), and leisure and hospitality (9.2 percent). The second figure shows the annual percentage change in the MSA's employment by sector from May 2008 to May 2009. Total nonfarm employment decreased by 0.8 percent during that time. Professional and business services, education and health services, other services, leisure and hospitality, and government sectors have increased, while mining, logging and construction, trade, transportation and utilities, information, and manufacturing sectors have declined.

According to the Bureau of Labor Statistics, the unemployment rate in Northwest Arkansas was at a preliminary seasonally non-adjusted 5.5 percent in May 2009. This is 1.7 percentage points higher than in May of 2008. The unemployment rate in Northwest Arkansas continues to outperform both the state (6.9 percent) and nation (9.1 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 the declining housing prices and lower interest rates at the moment. Together with the increase of affordable rental houses, it 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



Condo Market

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 substantially. 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 changeover 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. Additionally, several projects announced in the previous quarter were indicated as being indefinitely postponed. As soon as these projects are viable, they will be included in the announced projects tables.



New Announced Projects

Announced Condominium Projects

Complex Name	City	Number of Units	Unit Square Footage	Price per Square Foot
Champions Club Condos	Fayetteville	143	911-1,750	\$197-\$285
Chestnut Condos	Fayetteville	10		
Renaissance Towers	Fayetteville	23	1,250+	
Skate Place Condominiums	Fayetteville	34	1,250	\$119
Southpass	Fayetteville	630		
Stonebridge Meadows	Fayetteville	115		
Summit	Fayetteville	298		
Sycamore Condominiums	Fayetteville	10	560-1,100	\$200
Village on Shiloh	Fayetteville	148	1,180-1,337	\$102
Creekview Flats	Siloam Springs	5	2,400	\$100-\$102
Waterfront at Harber Meadows	Springdale	25	1,100-1,200	\$223

Announcements of Other New Projects

Complex	Developer	Construction Costs	Number of Units	City
Chateau on Chardonnay	Rex Fox and Frank Farrer		22	Bentonville
Copperstone Apartments, Phase II	Lindsey Development Co.			Bentonville
Elm Tree Place			8-12	Bentonville
Legacy Village	Legacy Village Assisted Living LLC	\$1,600,000	40	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
Beacon Flats	Beacon Flats LLC	\$1,500,000	9	Fayetteville
Campus Crest Student Housing	Campus Crest		192	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
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	Richard Alexander and John Nock		2,800	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
Berryfield Apartments	RB Construction	\$5,694,480	96	Springdale
Chester Heights	Elder Construction	\$1,705,741		Springdale
Dick Smith Duplexes	Moulden Construction	\$3,500,000	30	Springdale



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. Twelve projects with values greater than a million dollars were permitted during the period. Eight of these were located in Fayetteville, two were located in Springdale, one in Bentonville, and one in Rogers. The Fayetteville projects involve the construction of College North Apartments, the Village on Shiloh apartments, Mountain Ranch Apartments, Vantage Center, Hill Place, Huntington Heights, Village



at Scull Creek Apartments, and Chestnut Townhomes. The Springdale projects are Hidden Lake Townhomes and Chester

Heights, while the Bentonville project is the Links at Rainbow Curve and the Rogers project is St. James Place.

Multifamily Residence Building Permits June 2008 - May 2009

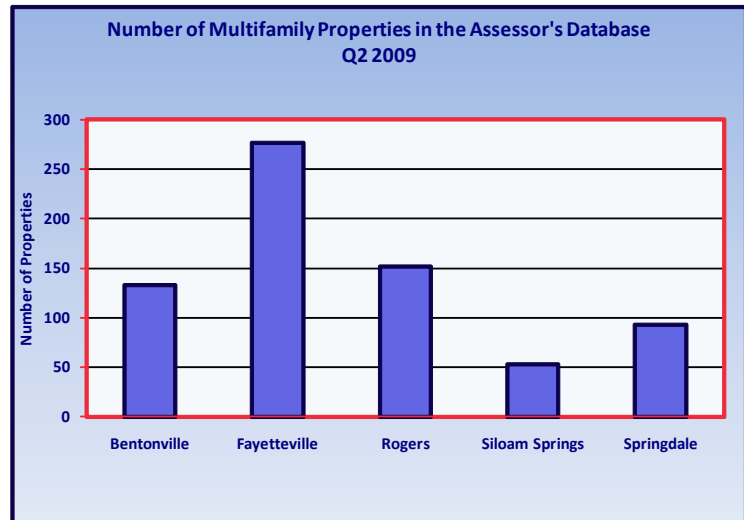
Date	Complex or Developer	Number of Permits	Total Value of Permits	City
6/11/2008	St. James Place	33	\$1,830,000	Rogers
6/17/2008	College North Apartments	1	\$2,107,471	Fayetteville
6/18/2008	Village on Shiloh	2	\$1,937,213	Fayetteville
6/24/2008	Mountain Ranch Apartments	4	\$32,206,850	Fayetteville
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
3/16/2009	Chester Heights	2	\$1,705,741	Springdale
3/19/2009	Links at Rainbow Curve	27	\$24,488,992	Bentonville
5/19/2009	Village at Scull Creek Apartments	1	\$5,171,374	Fayetteville
5/27/2009	Chestnut Townhomes	3	\$1,509,981	Fayetteville
	Total	117	\$111,550,407	



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



second 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 second quarter of 2009, information was collected on 85.8 percent of the existing square footage of multifamily properties, compared to 86.1 percent in the first quarter.

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

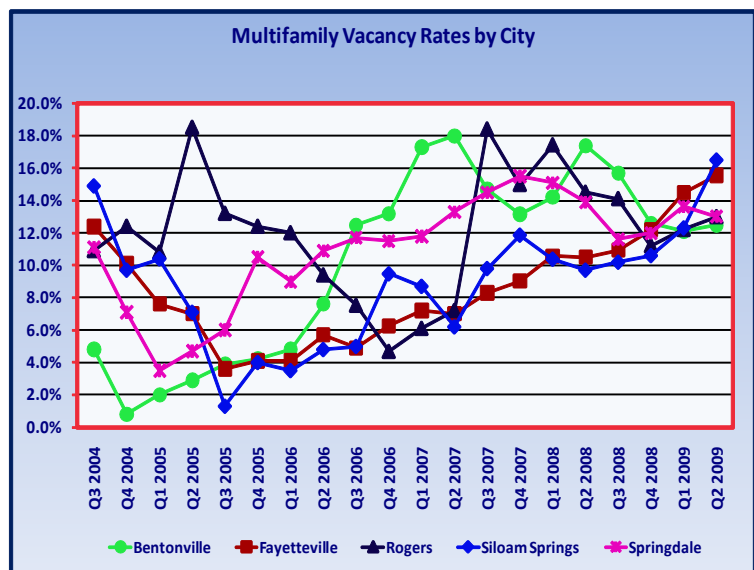
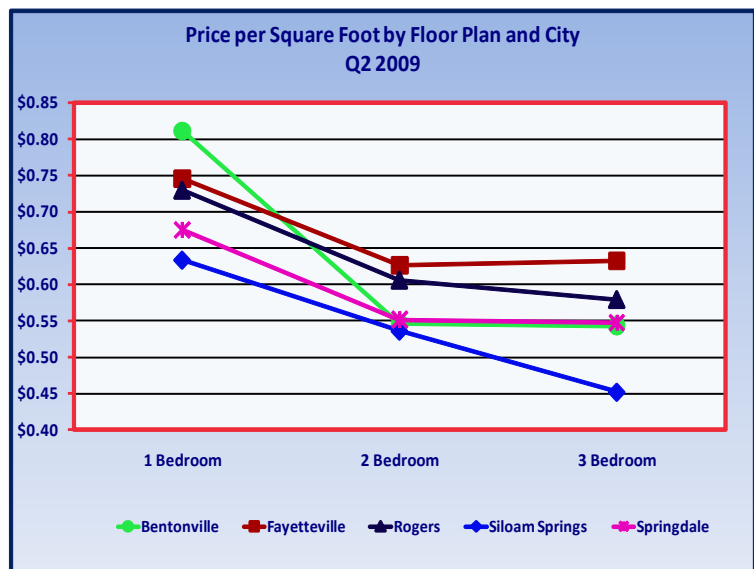
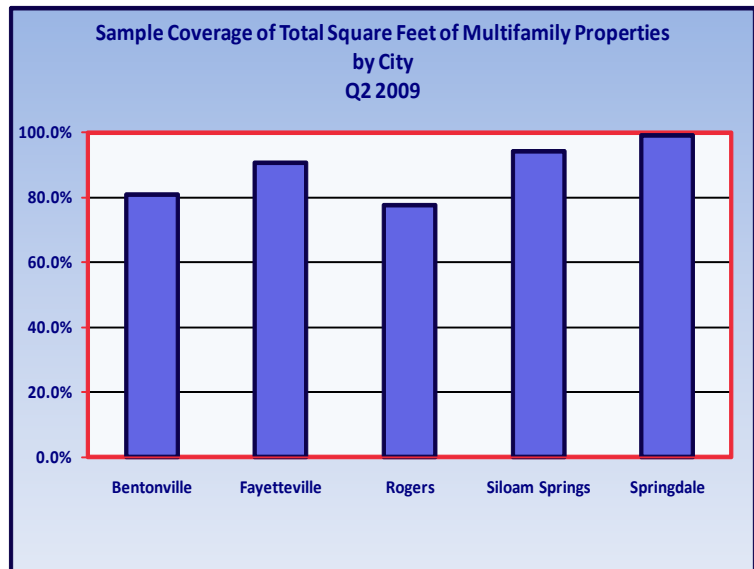
Total Inventory of Multifamily Properties and Sample Coverage Q2 2009

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	116	2,722,296	80.9%
Fayetteville	277	4,527,748	267	4,104,496	90.7%
Rogers	152	4,356,168	78	3,375,645	77.5%
Siloam Springs	53	692,037	43	651,750	94.2%
Springdale	93	1,855,060	84	1,837,660	99.1%
Northwest Arkansas	708	14,797,029	588	12,691,847	85.8%



Multifamily Properties

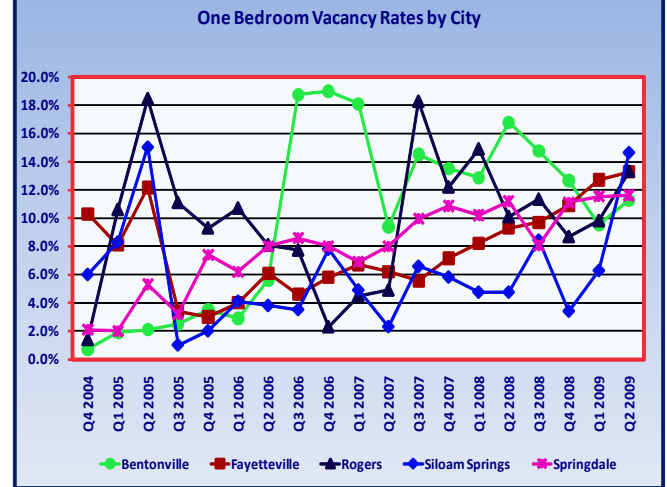
housing, extrapolating the results to the entire population is entirely reasonable. Within the second quarter 2009 survey sample, there were 25,743 total units in 588 multifamily residential properties. These properties had a combined vacancy rate of 14.2 percent, up from 13.5 percent in the first quarter. The highest vacancy rate was in Siloam Springs at 16.5 percent and the lowest vacancy rate was in Bentonville at 12.5 percent. In the second quarter of 2009, Fayetteville had a vacancy rate of 15.6 percent, while both Rogers and Springdale had a vacancy rate of 13.0 percent. Within the sample, the average lease price per month in Northwest Arkansas was \$526.36, up slightly from \$526.30 in the first quarter. The median lease price continued to be \$485.00 in the second quarter. The average size of a unit increased slightly to 834 square feet and the median size continued to be 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 first quarter. 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 \$0.56. The most expensive floor plans, on average, were studio apartments at \$1.08 per square foot per month.



Multifamily Properties

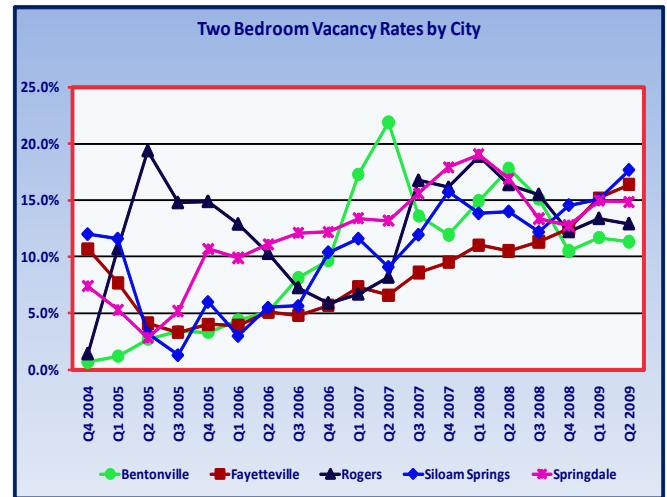
Sample Vacancy Rates

Market Area	Number of Apartment Complexes	Number of Units	Q2 2009 Vacancy Rate	Q1 2009 Vacancy Rate	Q2 2008 Vacancy Rate
Bentonville	116	3,381	12.5%	12.1%	17.4%
Fayetteville	267	11,410	15.6%	14.5%	10.5%
Rogers	78	4,079	13.0%	12.2%	14.5%
Siloam Springs	43	1,097	16.5%	12.3%	9.7%
Springdale	84	5,776	13.0%	13.6%	13.9%
NWA	588	25,743	14.2%	13.5%	12.8%



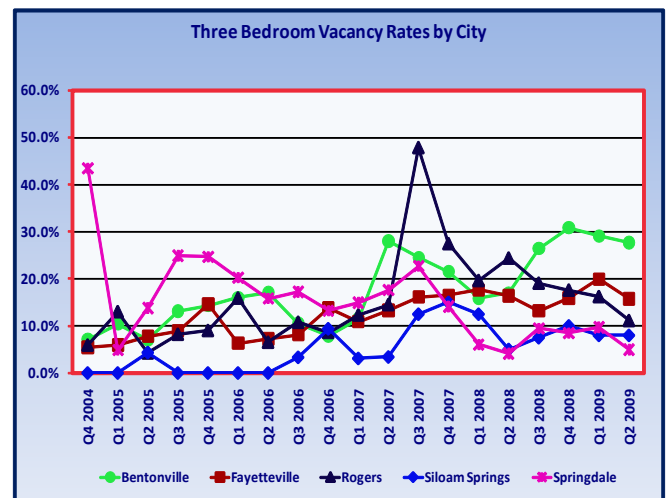
Average Size and Price by Floor Plan Q2 2009

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	409	\$441.50	\$1.08
1 Bedroom	607	\$443.83	\$0.73
2 Bedroom	907	\$535.49	\$0.59
3 Bedroom	1,237	\$711.20	\$0.57
4 Bedroom	1,477	\$822.36	\$0.56
NWA	834	\$526.36	\$0.63



Median Size and Price by Floor Plan Q2 2009

Floor Plan	Median Square Feet	Median Price per Month	Median Price per Square Foot
Studio	403	\$350.00	\$0.87
1 Bedroom	600	\$400.00	\$0.67
2 Bedroom	875	\$500.00	\$0.57
3 Bedroom	1,213	\$650.00	\$0.54
4 Bedroom	1,210	\$696.00	\$0.58
NWA	800	\$485.00	\$0.61



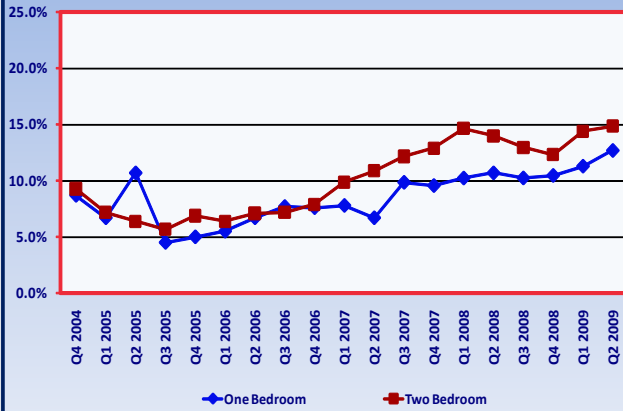
Vacancy Rates by Floor Plan Q2 2009

Market Area	1 Bedroom	2 Bedroom	3 Bedroom
Bentonville	11.3%	11.3%	27.7%
Fayetteville	13.3%	16.4%	15.7%
Rogers	13.3%	12.9%	11.1%
Siloam Springs	14.7%	17.7%	8.0%
Springdale	11.6%	14.9%	4.9%
NWA	12.7%	14.9%	13.2%

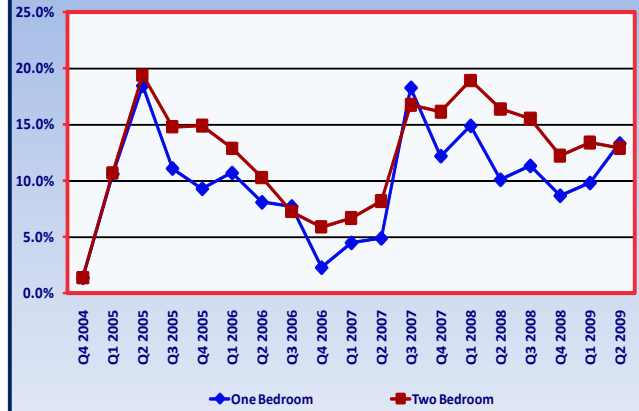


Multifamily Properties

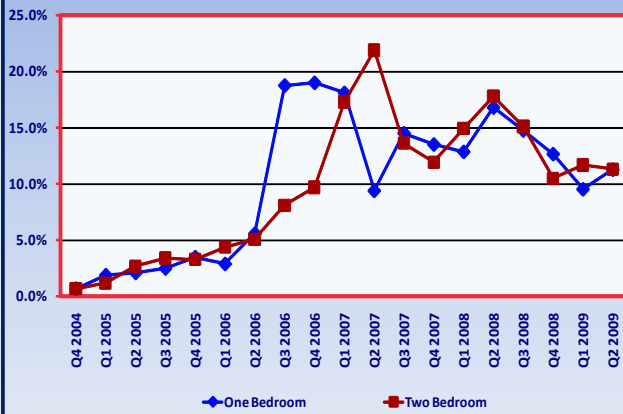
Northwest Arkansas Multifamily Vacancy Rates



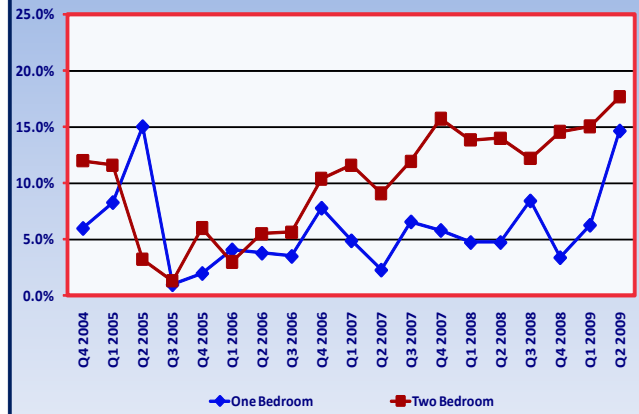
Rogers Multifamily Vacancy Rates



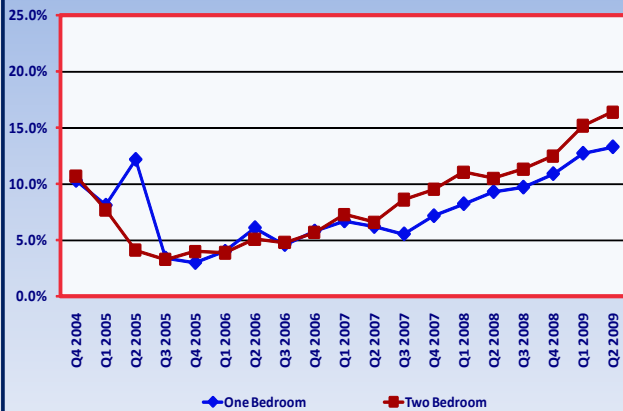
Bentonville Multifamily Vacancy Rates



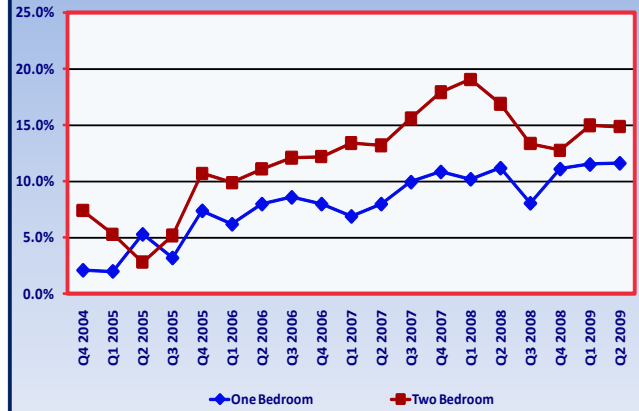
Siloam Springs Multifamily Vacancy Rates



Fayetteville Multifamily Vacancy Rates



Springdale Multifamily Vacancy Rates

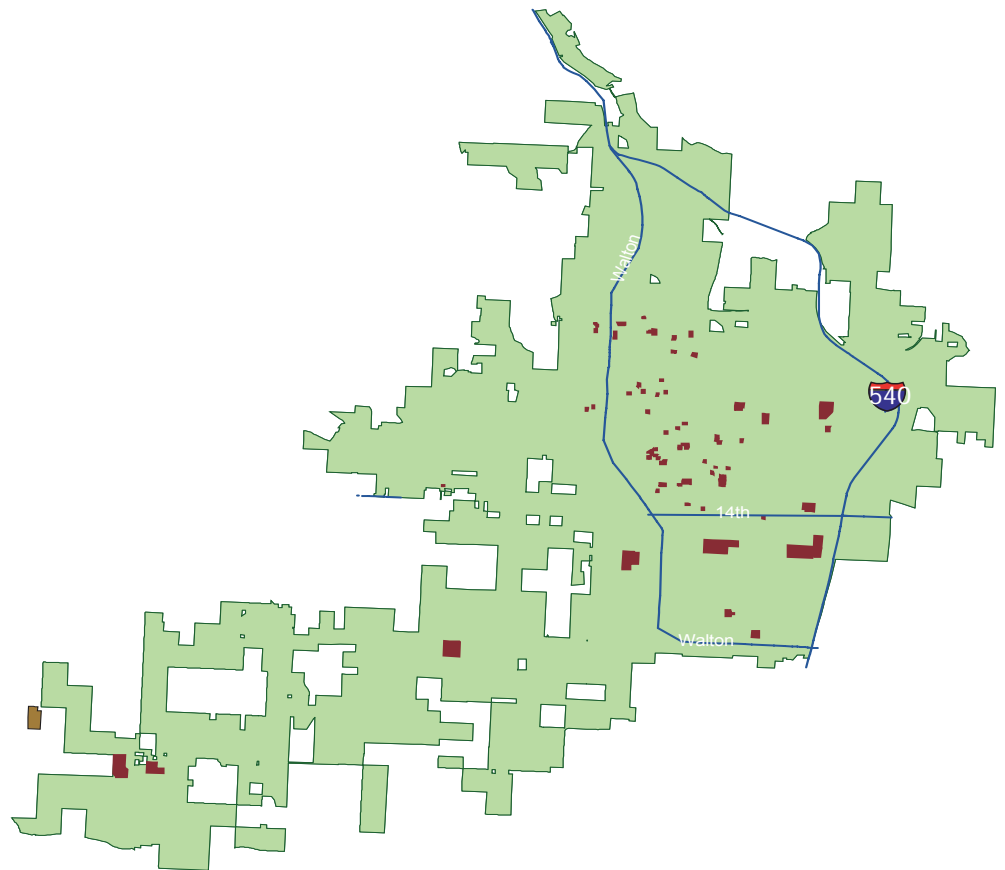


Bentonville

- In the database from the office of the Benton County Assessor, there were 133 multifamily properties in Bentonville in the second quarter of 2009. These properties comprised 3,366,016 square feet.
- The 116 Bentonville Skyline Report survey respondents accounted for 80.9 percent of the square footage of all of the multifamily properties in the city.
- In the 3,381 units that were reported by Skyline Report survey respondents, there was a 12.5 percent vacancy rate, down from 12.1 percent in the first quarter.
- The average lease rate of all units in Bentonville increased to \$523, while the average size of a unit increased to 876 square feet.
- The monthly leases for Bentonville multifamily properties averaged between \$0.47 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 Q2 2009

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	330	\$330.00	\$1.00
1 Bedroom	620	\$503.18	\$0.81
2 Bedroom	921	\$503.16	\$0.55
3 Bedroom	1,226	\$665.95	\$0.54
4 Bedroom	1,200	\$565.00	\$0.47
Bentonville	876	\$523.32	\$0.60

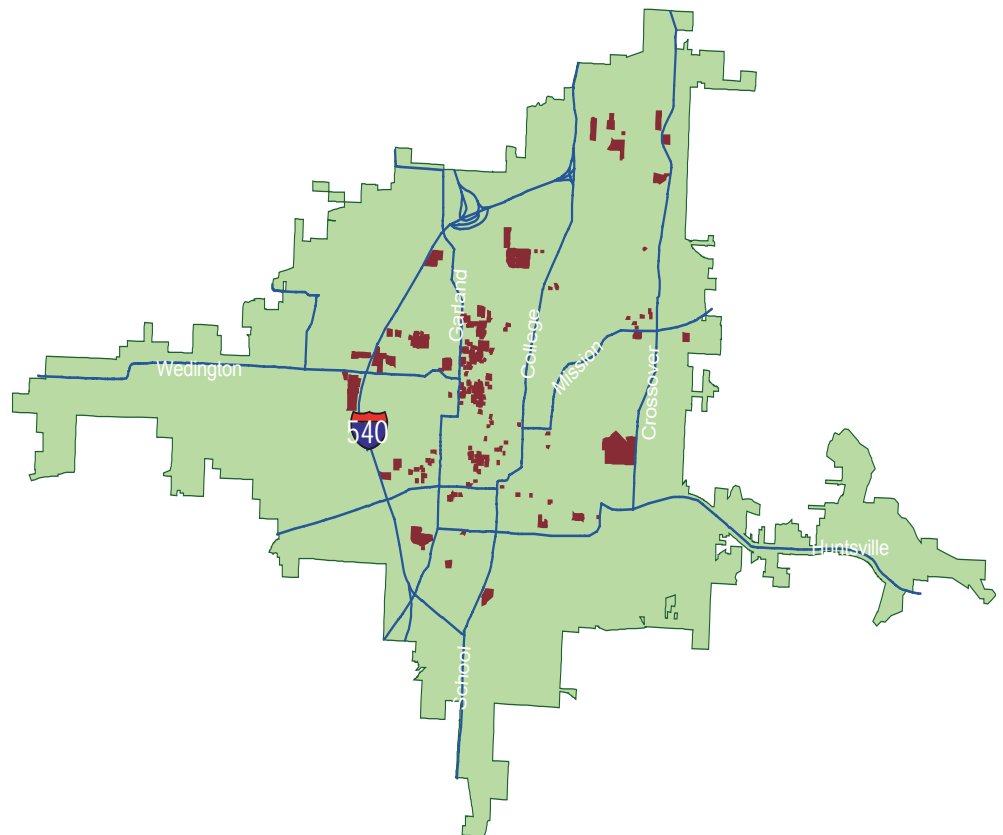


Fayetteville

- In the database from the office of the Washington County Assessor, there were 277 multifamily properties in Fayetteville in the second quarter of 2009. These properties comprised 4,527,748 square feet.
- The 267 Fayetteville Skyline Report survey respondents accounted for about 90.7 percent of the square footage of all of the multifamily properties in the city.
- In the 11,410 units that were reported by Skyline Report survey respondents, there was a 15.6 percent vacancy rate, up from a first quarter rate of 14.5 percent.
- The average price of all units in Fayetteville was about \$543, while the average size of a unit continued to be 814 square feet.
- The monthly leases for Fayetteville multifamily properties averaged between \$0.63 per square foot for a two bedroom and a three bedroom apartments 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 2009

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	409	\$366.21	\$0.90
1 Bedroom	598	\$445.69	\$0.75
2 Bedroom	905	\$567.20	\$0.63
3 Bedroom	1,246	\$788.52	\$0.63
4 Bedroom	1,198	\$803.33	\$0.67
Fayetteville	814	\$542.72	\$0.67

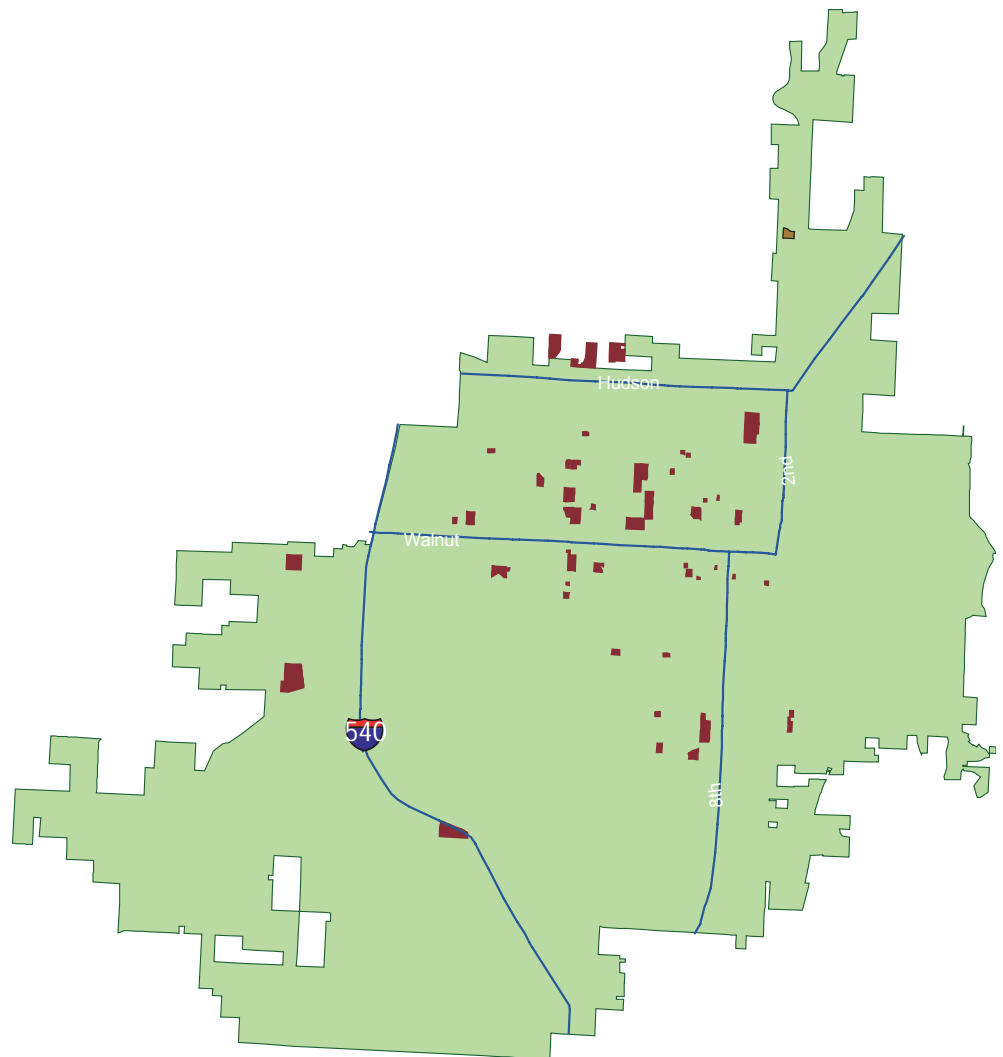


Rogers

- In the database from the office of the Benton County Assessor, there were 152 multifamily properties in Rogers in the second quarter of 2009. These properties comprised 4,356,168 square feet.
- The 78 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 4,079 units that were reported by Skyline Report survey respondents, there was a 13.0 percent vacancy rate in the second quarter of 2009, up from 12.2 percent in the previous quarter.
- The average price of all units in Rogers increased to \$590, while the average size of a unit increased to 910 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 Q2 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	\$484.67	\$0.73
2 Bedroom	936	\$567.23	\$0.61
3 Bedroom	1,253	\$725.94	\$0.58
4 Bedroom	3,000	\$1,600.00	\$0.53
Rogers	910	\$590.16	\$0.65

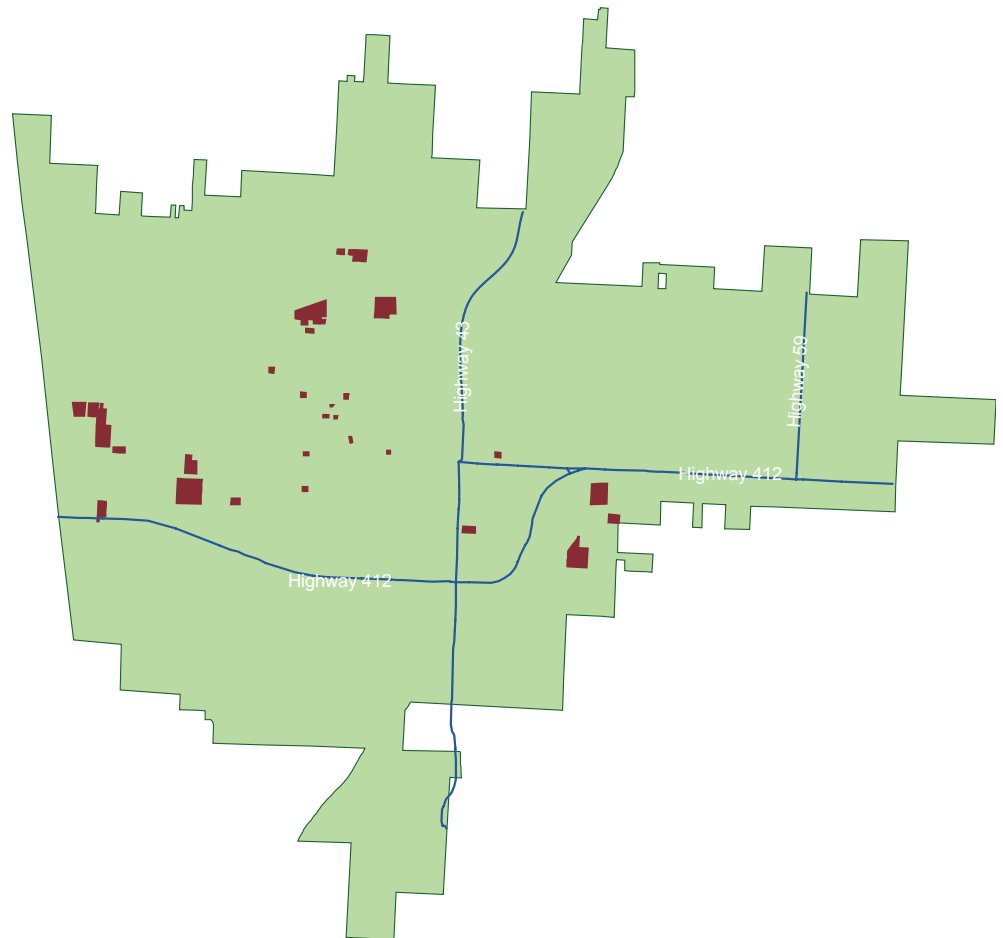


Siloam Springs

- In the database from the office of the Benton County Assessor, there were 53 multifamily properties in Siloam Springs in the second 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 16.5 percent vacancy rate, up from the 12.3 percent vacancy rate in the first quarter.
- The average price of all units in Siloam Springs was \$446, 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 Q2 2009

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	390	\$326.00	\$0.84
1 Bedroom	591	\$374.30	\$0.63
2 Bedroom	848	\$454.68	\$0.54
3 Bedroom	1,325	\$599.40	\$0.45
4 Bedroom	1,210	\$696.00	\$0.58
Siloam Springs	816	\$446.28	\$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 2009. These properties comprised 1,855,060 square feet.
- The 84 Springdale Skyline Report survey respondents accounted for 99.1 percent of the square footage of all of the multifamily properties in the city.
- In the 5,776 units that were reported by Skyline Report survey respondents there was a 13.0 percent vacancy rate, down from 13.6 percent in the first quarter.
- The average price of all units in Springdale was \$463, 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 Q2 2009

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	430	\$316.33	\$0.74
1 Bedroom	583	\$393.65	\$0.68
2 Bedroom	890	\$490.98	\$0.55
3 Bedroom	1,101	\$602.57	\$0.55
4 Bedroom	1,333	\$800.00	\$0.60
Springdale	778	\$463.47	\$0.60

