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Multifamily Real Estate Market Summary for Benton and Washington Counties

This report is the seventeenth 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 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 Third Quarter of 2008

- Vacancy rates for multifamily properties in Northwest Arkansas declined from their second quarter level of 12.8 percent to 12.2 percent in the third quarter of 2008. The third quarter 2008 vacancy rate was the same as the third quarter 2007 rate.
- Siloam Springs had the lowest aggregate vacancy rate at 10.2 percent, up from 9.7 percent in the second quarter of 2008. Bentonville had the highest aggregate vacancy rate at 15.7 percent, down from 17.4 percent in the second quarter. The Fayetteville vacancy rate increased 0.4 percentage points to 10.9 percent in the third quarter of 2008. Springdale had a decrease of 2.3 percentage points to a vacancy rate of 11.6 percent and Rogers had a decrease of 0.4 percentage points in its vacancy rate to 14.1 percent in the third quarter.
- The average lease price per month for a multifamily property unit in Northwest Arkansas was up about \$8.31 to \$529.71. Meanwhile, the median monthly lease price for a multifamily property was \$485.00.
- 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 Rogers at \$0.69 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 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 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 seventeenth 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.

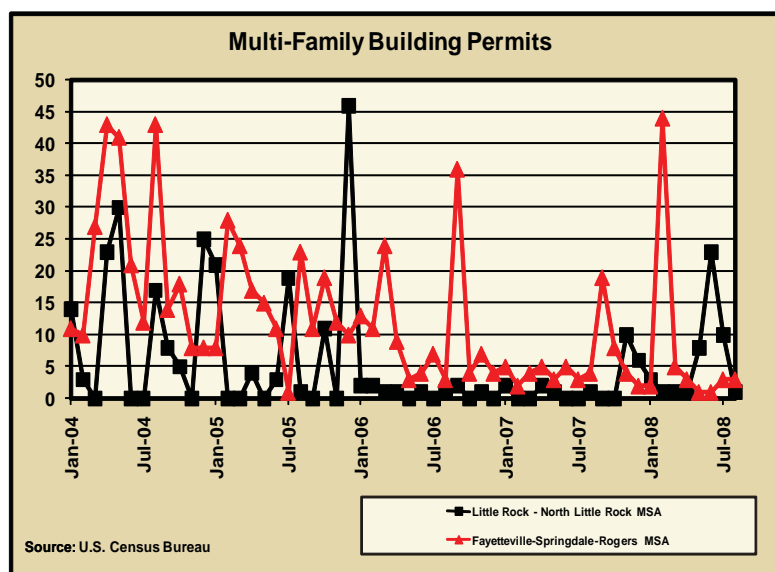
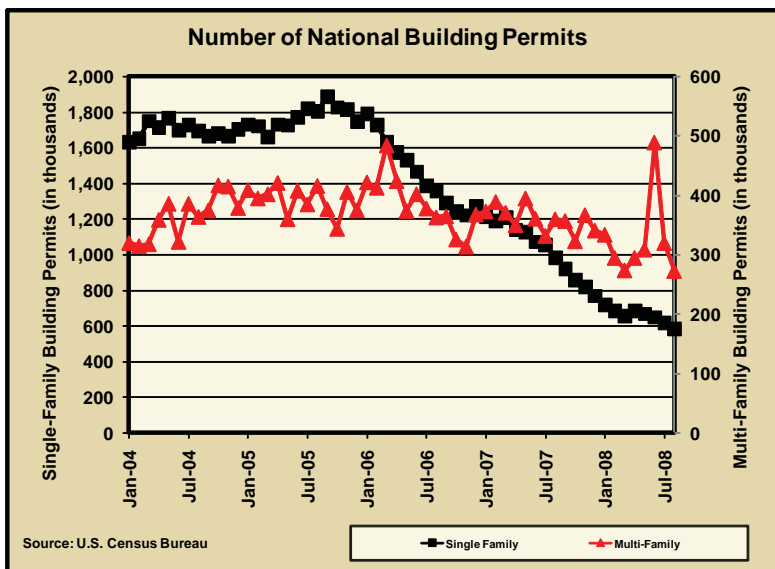
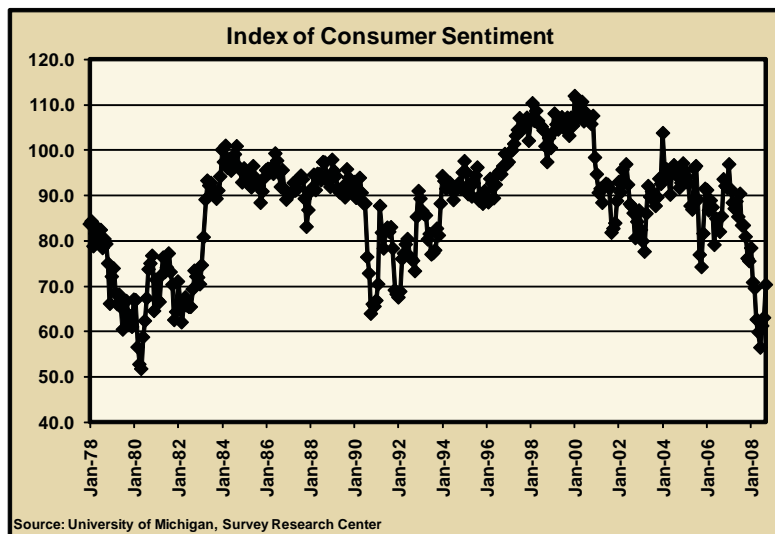


Economic Overview

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 increased to 70.3 in September 2008 from 63.0 in August, but was substantially below the 83.4 recorded last September.

“Consumers have expressed heightened apprehensions about prospects for the economy due to the escalating financial crisis adding to the steep declines recorded over the past year,” according to Richard Curtin, the Director of the Reuters/University of Michigan Surveys of Consumers. “These grim economic prospects were not unexpected since consumers believed the economy was already in recession, but the language used by the officials to describe the extent and depth of the financial crisis was nonetheless alarming to consumers.”

Nine-in-ten consumers throughout September thought that the economy was in recession. In the last week of the September survey, 79 percent of all consumers expected bad times in the economy during the year ahead, up from 57 percent earlier in the month. The return to the cyclical lows means that the length of the downturn will be prolonged. “If the financial crisis causes a further loss in confidence in financial institutions or in the ability of the real economy to withstand the financial crisis, a deeper as well as longer downturn in consumer spending will result,” Curtin said. The central concern of consumers continues to be job prospects, expected income gains, and high fuel and food prices. These concerns dominate not only consumers’ evaluations of their own financial position but are an important factor behind the declines in their buying plans. Tightening credit conditions have also constrained purchase plans, with one-in-ten consumers mentioning that they had recent problems obtaining credit.

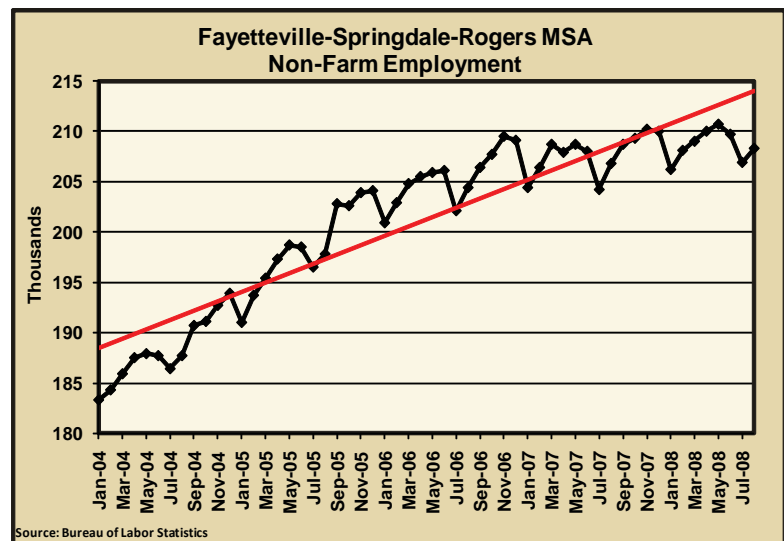
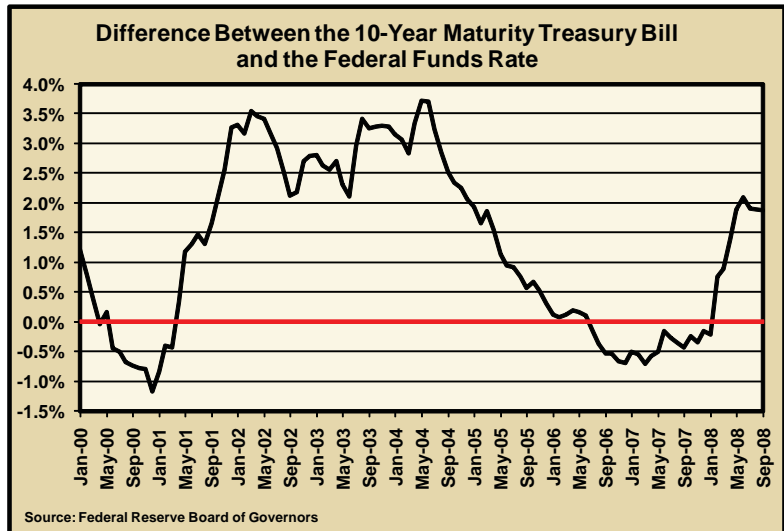
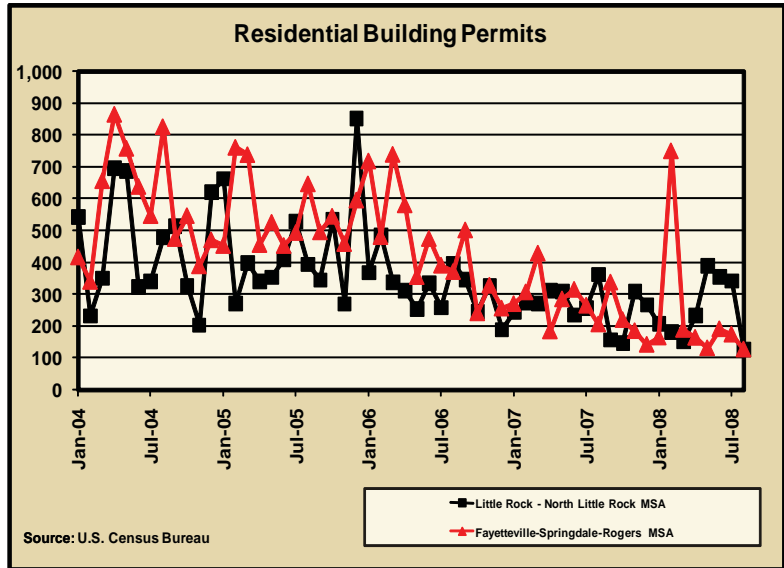


Economic Overview

The U.S. Census Bureau estimates the issuance of building permits. The January – August of 2008 national level of multifamily building permits continued to deteriorate from the levels seen in 2007. The exception was the amount of building permits issued in June, which was significantly higher than last year. The multifamily building permits increased from April to June of 2008 and then started to decline again in July, while the single family building permits continued sliding down during these months (SAAR).

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 the 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 from May to July of 2008. In spite of 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 Funds rates averaged 1.81 percent in September. The Fed implemented a decrease in short term interest rate down to 1.5 percent in October, sending the fed funds rate to its lowest level in more than four years. According to the Fed’s Chairman, Ben Bernanke, financial systems in the United States and in much of the rest of the world are under extraordinary stress, particularly the credit and money markets. The losses suffered by many banks and

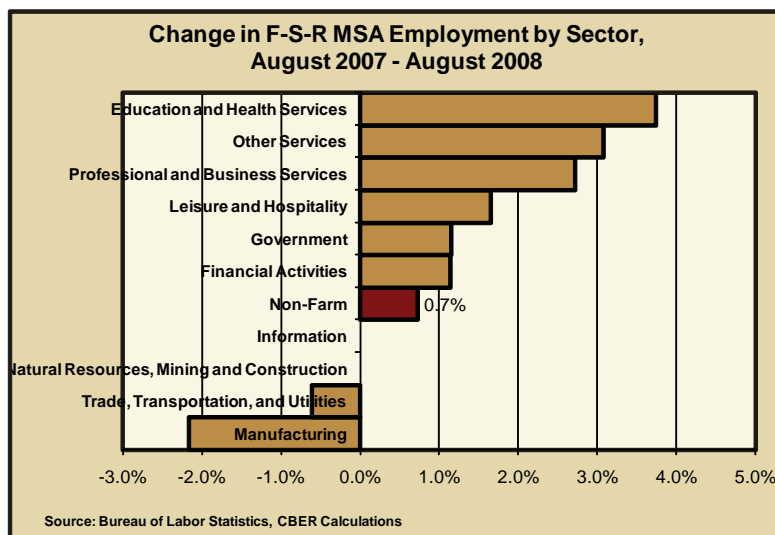
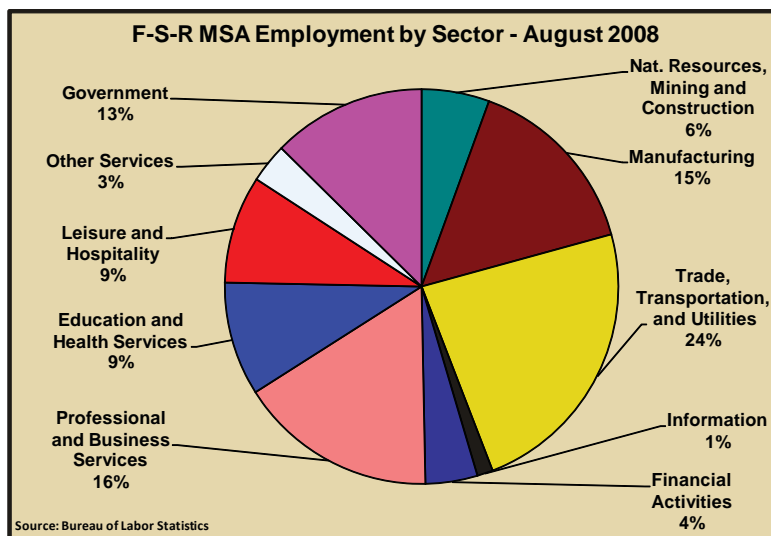


Economic Overview

nonbank financial firms have both constrained their ability to lend and reduced the willingness of other market participants to deal with them. The financial storm has not yet subsided, and its effects on the broader economy are becoming apparent in the form of softening economic activity and rising unemployment. Add to this mix a jump in inflation, in part the product of a global commodity boom, and the result has been one of the most challenging economic and policy environments in memory. The Federal Reserve Board announced several initiatives to support financial stability. Central banks will continue working together to expand the U.S. dollar liquidity and to maintain stable flow of credit to the economy during this period of significant strain in global markets.

The ten year constant maturity Treasury bill had an interest rate of 3.69 percent in September 2008. The decline in short-term rates was less than the decline in long-term interest rates, implying a decrease 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 September 2008, the spread was a 1.88 percent. The continuing positive spread is important as it has typically been a sign of stronger 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 August 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 and business services (16 percent), manufacturing (15 percent), government (13 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 August 2007 to



August 2008. Total nonfarm employment increased by 0.7 percent during that time, so those sectors with larger employment growth rates increased in relative impact and those sectors with smaller employment growth rates decreased in relative impact. Education and health services, other services, professional and business services, leisure and hospitality, government, 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 3.5 percent in August 2008.

This is 0.5 percentage points lower than in August of 2007. The unemployment rate in Northwest Arkansas continues to outperform both the state (4.6 percent) and nation (6.1 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



Condo Market

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 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

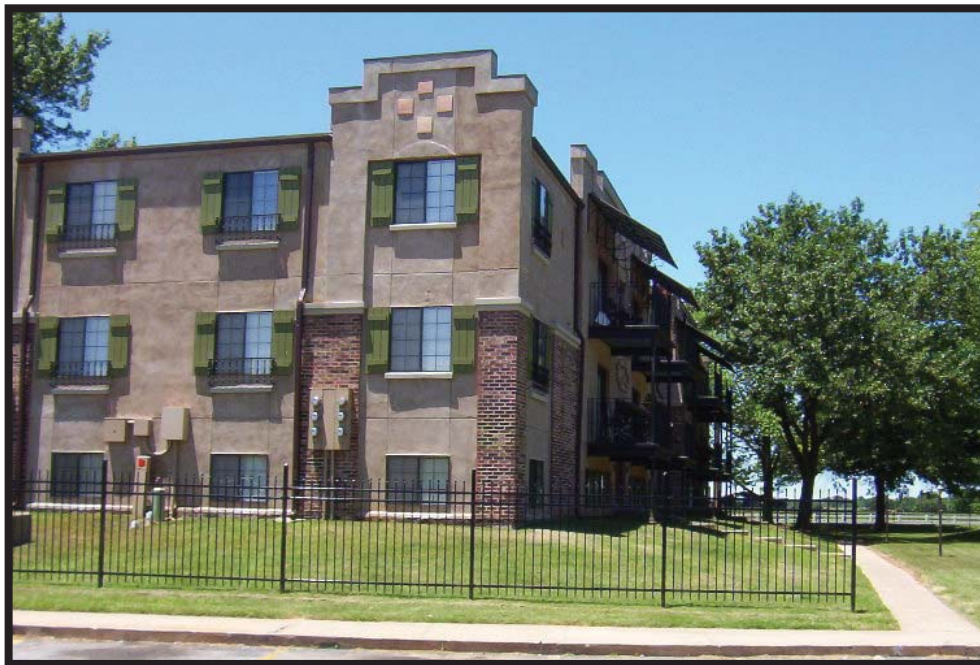
payments have entered the market. These properties are designed to provide easy accessibility to the commercial districts of the cities and are designed to appeal to tenants looking to eliminate property maintenance responsibilities. These upscale properties are pushing up average rents in the cities 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 \$97 and \$500 per square foot, with average square footages varying between 560 and 3,500 square feet. In Fayetteville, these properties account for 2,693 units and in Rogers there are about 276 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		
Champions Club Condos	Fayetteville	143	911-1,750	\$197-\$285
Chestnut Condos	Fayetteville	10		
The Dickson	Fayetteville	20		
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
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
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
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
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
Sligo Street Apartments	Jamerson Properties LLC	\$585,000	16	Fayetteville
Beacon Flats	Beacon Flats LLC	\$1,500,000	9	Fayetteville
College Avenue Townhomes	Pierce Properties	\$2,107,471	39	Fayetteville
Forest Hills Development	Forest Hills Development			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
Mountain Ranch Apartments	SC Bodner Co	\$25,850,000	360	Fayetteville
Pebble Creek Flats	Art Scott		66	Fayetteville
Southpass, Phase I	Richard Alexander and John Nock		350	Fayetteville
Southpass, Phase II+	Richard Alexander and John Nock		2,450	Fayetteville
The Arbors at Springwoods	EPCON Communities of Northwest Arkansas		122	Fayetteville
Villas at Stonebridge			263	Fayetteville
Lowell Station	Hollis Cunningham		488	Lowell
Assisted Living Facility in the Peaks				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



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. Fourteen projects with values greater than a million dollars were permitted during the period. Ten 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, the Links at Fayetteville, College



North Apartments, and Mountain Ranch Apartments. The Springdale project is the Berryfield Apartments. The Bentonville

project is the Copperstone Apartments. The Rogers projects are Roller's Ridge Apartments and St. James Place.

Multifamily Residence Building Permits September 2007 - August 2008

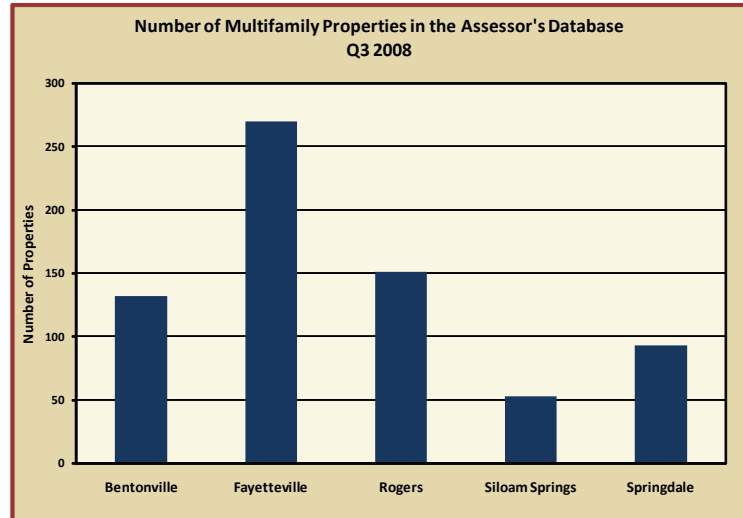
Date	Complex or Developer	Number of Permits	Total Value of Permits	City
9/4/2007	Leverett Commons Townhomes	1	\$1,063,979	Fayetteville
9/4/2007	Sunbridge Villa Duplexes	2	\$1,166,738	Fayetteville
9/6/2007	Copperstone Apartments	16	\$12,604,848	Bentonville
10/23/2007	Sycamore Condominiums	1	\$582,000	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
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
	Total	127	\$120,746,630	



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 third quarter



of 2008 was 699 with a total size of almost 13.6 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 third quarter of 2008, information was collected on 85.2 percent of the existing square footage of multifamily properties, compared to 83.3 percent in the second 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-

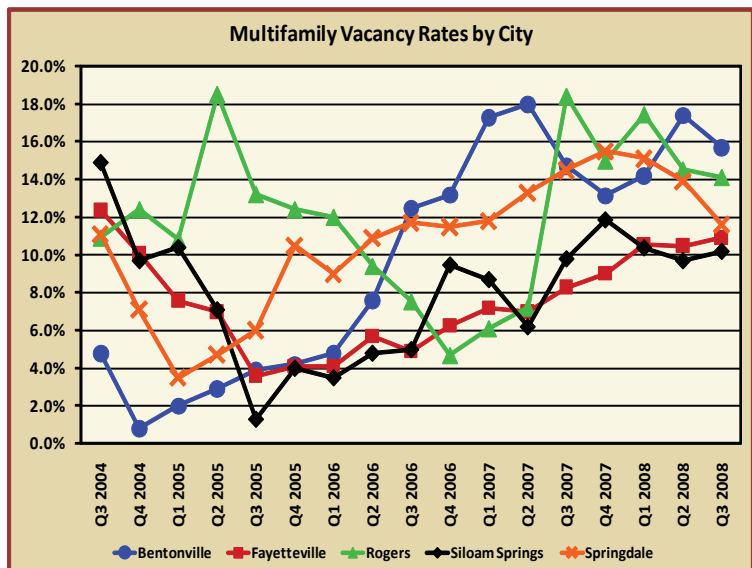
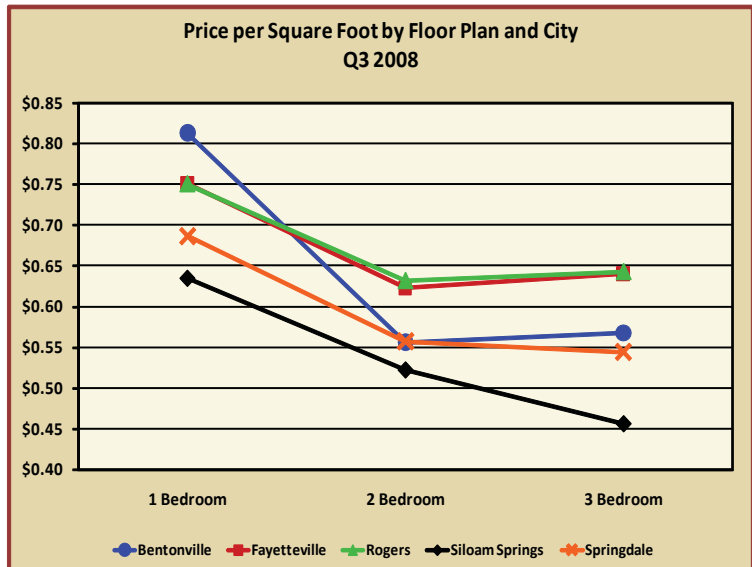
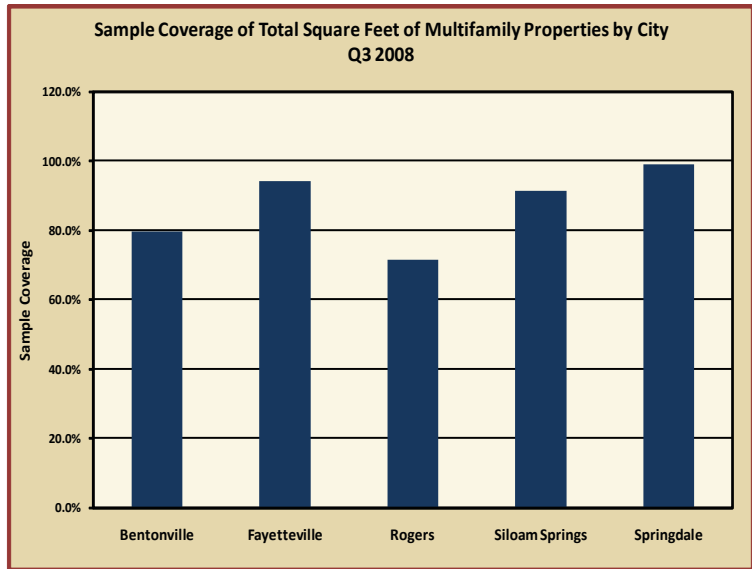
Total Inventory of Multifamily Properties and Sample Coverage Q3 2008

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	132	3,218,624	114	2,569,594	79.8%
Fayetteville	270	4,366,468	267	4,116,350	94.3%
Rogers	151	3,695,843	76	2,649,353	71.7%
Siloam Springs	53	692,037	39	633,235	91.5%
Springdale	93	1,622,078	83	1,608,712	99.2%
Northwest Arkansas	699	13,595,050	579	11,577,244	85.2%



Multifamily Properties

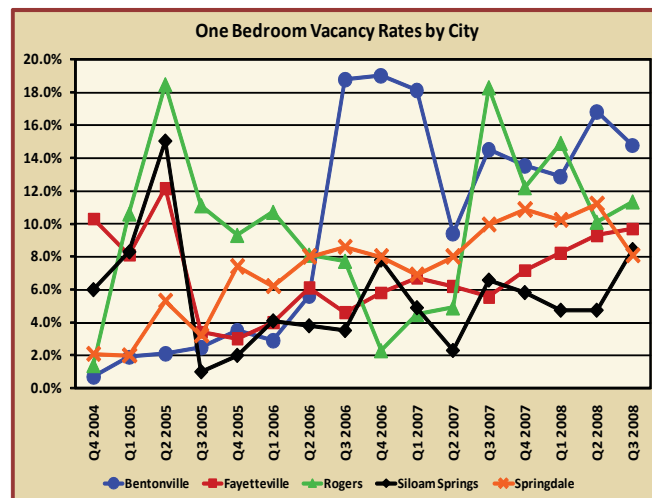
ing, extrapolating the results to the entire population is entirely reasonable. Within the third quarter 2008 survey sample, there were 25,316 total units in 579 multifamily residential properties. These properties had a combined vacancy rate of 12.2 percent, down from 12.8 percent in the second quarter of 2008. The highest vacancy rate was in Bentonville, at 15.7 percent and the lowest vacancy rate was in Siloam Springs at 10.2 percent. In the third quarter of 2008, Fayetteville had a vacancy rate of 10.9 percent, Rogers had a vacancy rate of 14.1 percent, and Springdale had a vacancy rate of 11.6 percent. Within the sample, the average lease price per month in Northwest Arkansas was \$529.71, up from a revised \$521.40 in the second quarter. The median lease price was \$485.00 in the third quarter. The average size of a unit was 826 square feet (the median was 800 square feet), down from 841 square feet in the previous quarter. The average monthly price per square foot of a multifamily property was \$0.64 (the median was \$0.61), up from \$0.62 in the second 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 had four bedrooms at \$0.59. The most expensive floor plans, on average, were studio apartments at \$1.10 per square foot per month.



Multifamily Properties

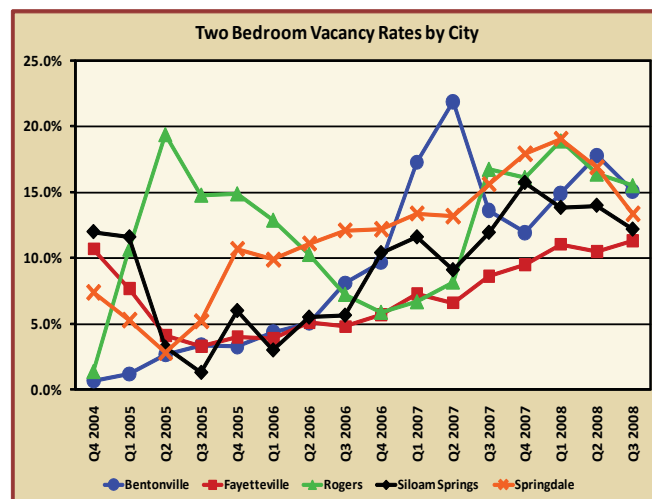
Sample Vacancy Rates

Market Area	Number of Apartment Complexes	Number of Units	Q3 2008 Vacancy Rate	Q2 2008 Vacancy Rate	Q3 2007 Vacancy Rate
Bentonville	114	3,375	15.7%	17.4%	14.7%
Fayetteville	267	11,236	10.9%	10.5%	8.3%
Rogers	76	4,040	14.1%	14.5%	18.4%
Siloam Springs	39	1,079	10.2%	9.7%	9.8%
Springdale	83	5,586	11.6%	13.9%	14.5%
NWA	579	25,316	12.2%	12.8%	12.2%



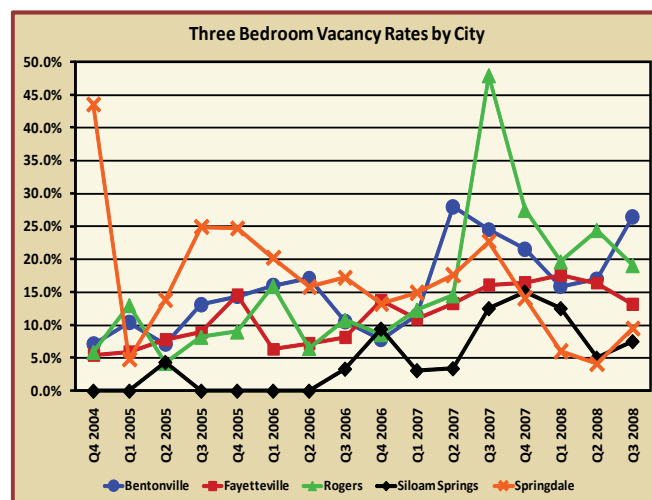
Average Size and Price by Floor Plan Q3 2008

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	409	\$451.57	\$1.10
1 Bedroom	608	\$449.44	\$0.74
2 Bedroom	907	\$539.73	\$0.60
3 Bedroom	1,222	\$735.35	\$0.60
4 Bedroom	1,201	\$706.63	\$0.59
NWA	826	\$529.71	\$0.64

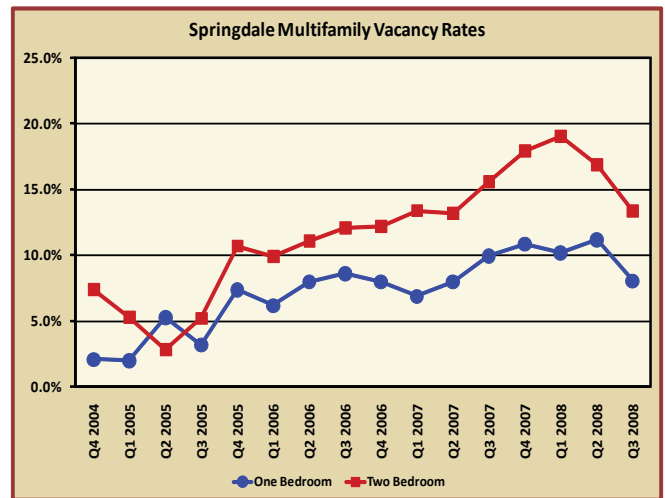
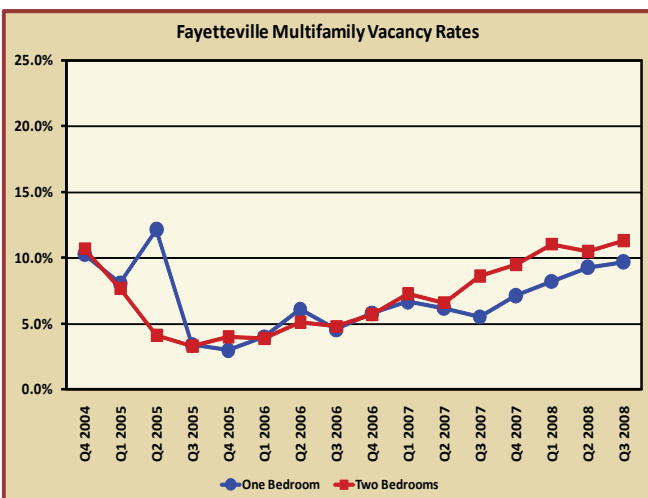
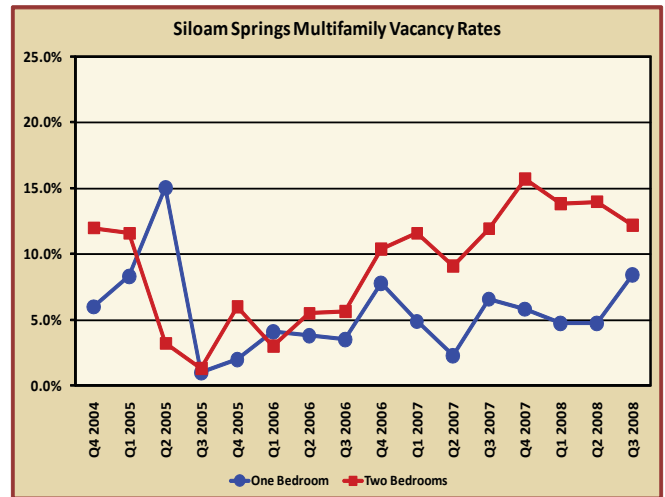
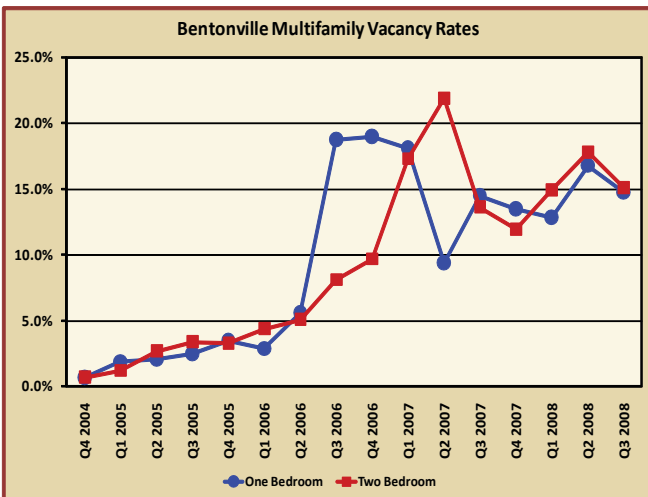
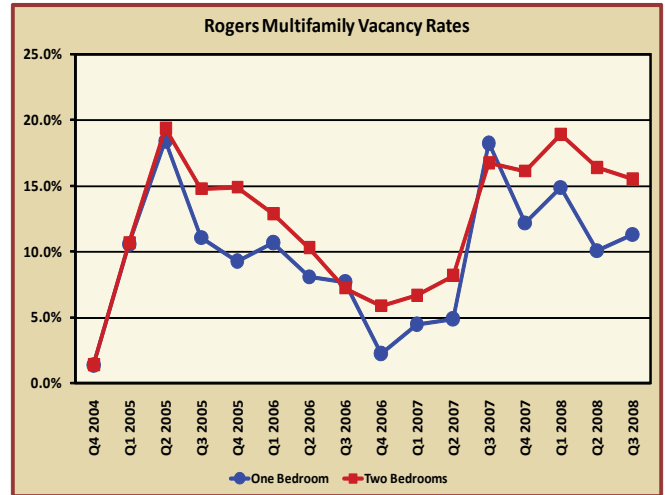
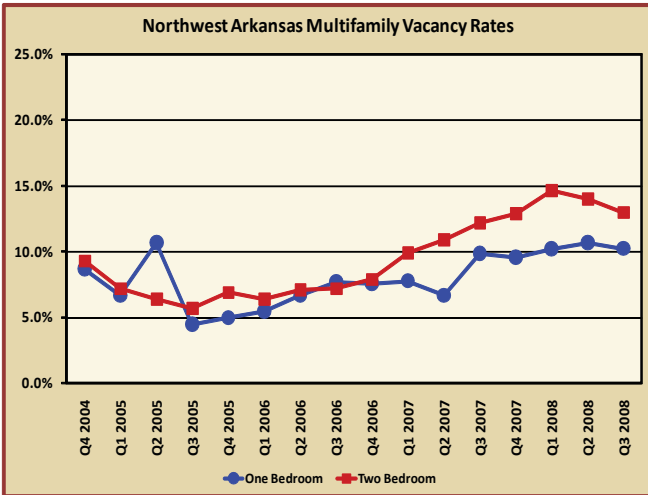


Vacancy Rates by Floor Plan Q3 2008

Market Area	1 Bedroom	2 Bedroom	3 Bedroom
Bentonville	14.8%	15.1%	26.4%
Fayetteville	9.7%	11.3%	13.2%
Rogers	11.3%	15.5%	19.1%
Siloam Springs	8.4%	12.2%	7.5%
Springdale	8.1%	13.4%	9.5%
NWA	10.3%	13.0%	15.0%



Multifamily Properties

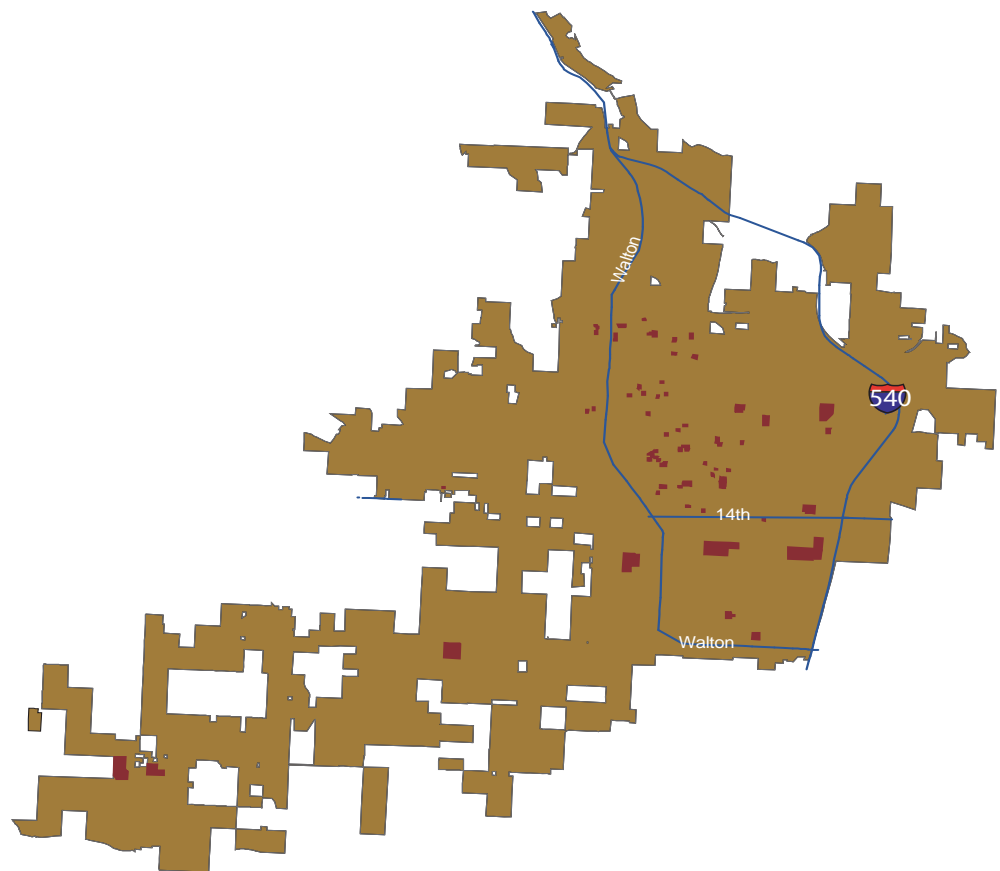


Bentonville

- In the database from the office of the Benton County Assessor, there were 132 multifamily properties in Bentonville in the third quarter of 2008. These properties comprised 3,218,624 square feet.
- The 114 Bentonville Skyline Report survey respondents accounted for 79.8 percent of the square footage of all of the multifamily properties in the city.
- In the 3,375 units that were reported by Skyline Report survey respondents, there was a 15.7 percent vacancy rate, down from 17.4 percent in the second quarter of 2008.
- The average lease rate of all units in Bentonville was \$529, while the average size of a unit was 869 square feet.
- The monthly leases for Bentonville multifamily properties averaged between \$0.45 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 Q3 2008

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	330	\$330.00	\$1.00
1 Bedroom	620	\$504.41	\$0.81
2 Bedroom	921	\$512.20	\$0.56
3 Bedroom	1,211	\$687.50	\$0.57
4 Bedroom	1,200	\$540.00	\$0.45
Bentonville	869	\$528.68	\$0.61

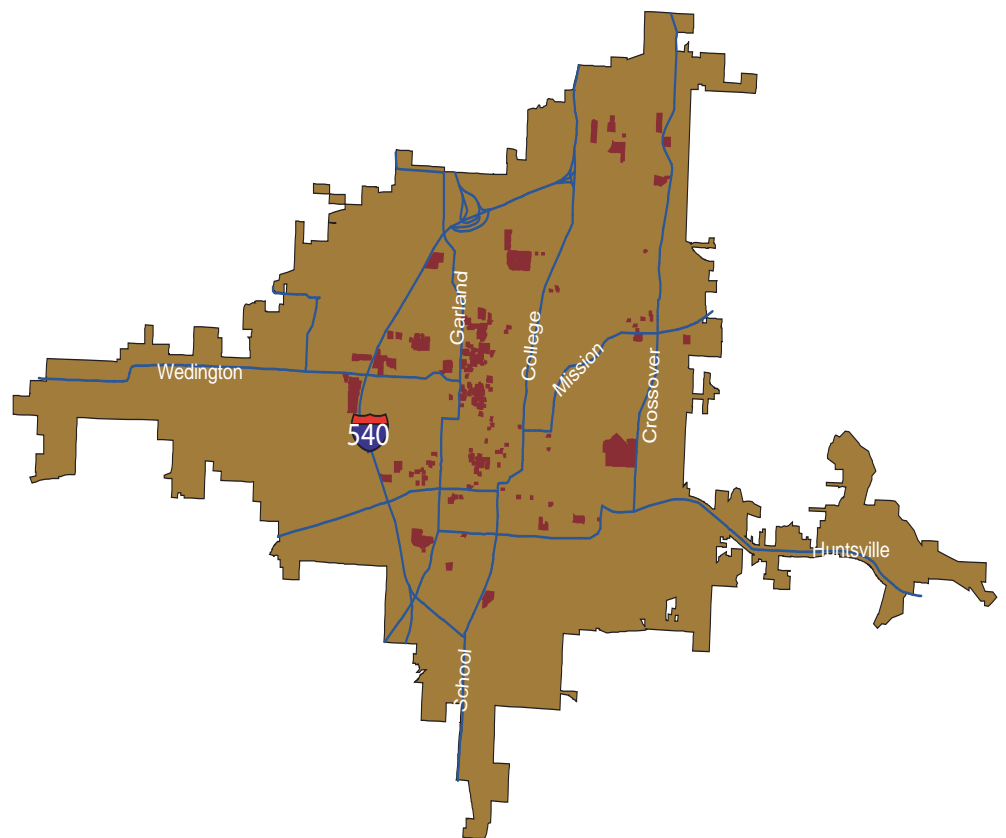


Fayetteville

- In the database from the office of the Washington County Assessor, there were 270 multifamily properties in Fayetteville in the third quarter of 2008. These properties comprised 4,366,468 square feet.
- The 267 Fayetteville Skyline Report survey respondents accounted for about 94.3 percent of the square footage of all of the multifamily properties in the city.
- In the 11,236 units that were reported by Skyline Report survey respondents, there was a 10.9 percent vacancy rate, up from the second quarter rate of 10.5 percent.
- The average price of all units in Fayetteville was almost \$544, while the average size of a unit was 815 square feet.
- The monthly leases for Fayetteville multifamily properties averaged between \$0.62 per square foot for a two bedroom to \$0.92 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 Q3 2008

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	408	\$377.29	\$0.92
1 Bedroom	598	\$449.33	\$0.75
2 Bedroom	909	\$566.62	\$0.62
3 Bedroom	1,246	\$798.05	\$0.64
4 Bedroom	1,198	\$783.00	\$0.65
Fayetteville	815	\$543.60	\$0.67

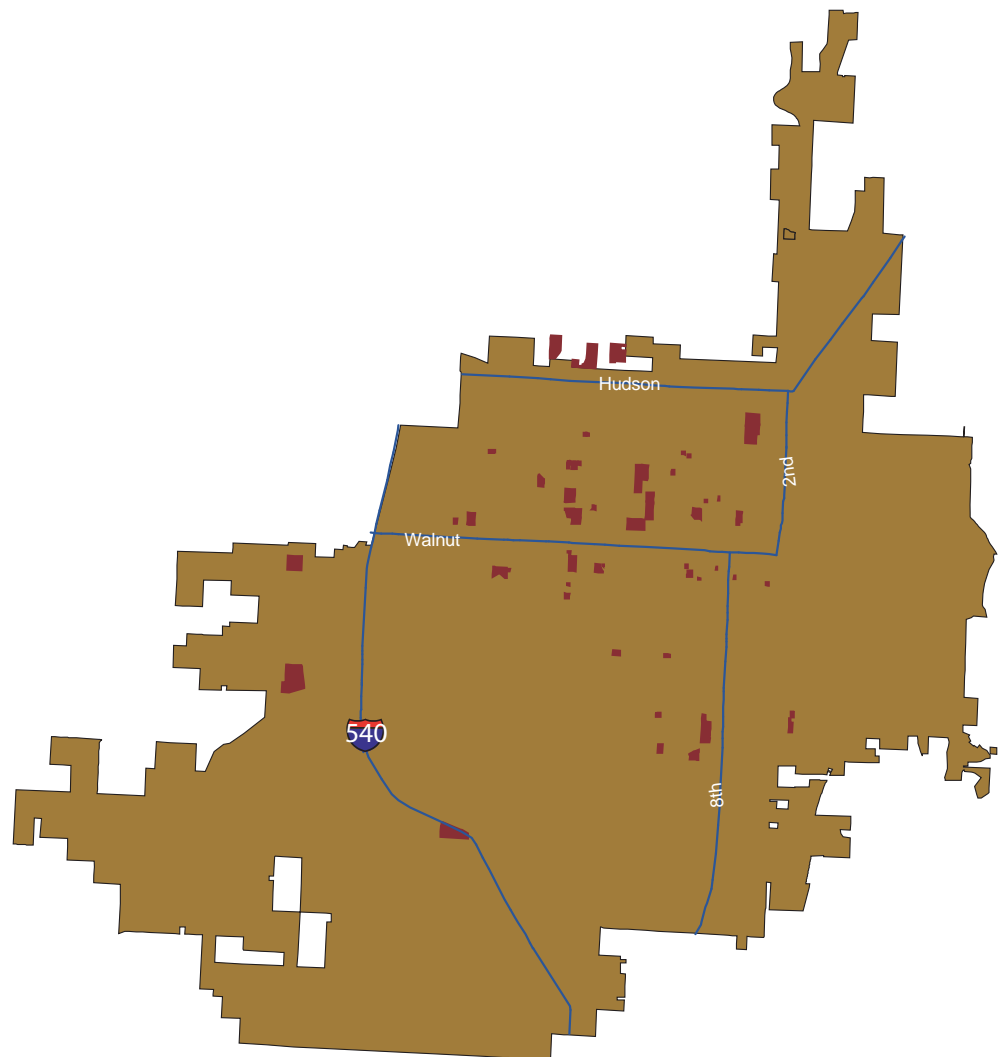


Rogers

- In the database from the office of the Benton County Assessor, there were 151 multifamily properties in Rogers in the third quarter of 2008. These properties comprised 3,695,843 square feet.
- The 76 Rogers Skyline Report survey respondents accounted for 71.7 percent of the square footage of all of the multifamily properties in the city.
- In the 4,040 units that were reported by Skyline Report survey respondents, there was a 14.1 percent vacancy rate in the third quarter of 2008, down slightly from 14.5 percent in the previous quarter.
- The average price of all units in Rogers was \$607, while the average size of a unit was 886 square feet.
- The monthly leases for Rogers's multifamily properties averaged between \$0.63 per square foot for a two bedroom apartment to \$4.71 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 Q3 2008

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	510	\$2,400.00	\$4.71
1 Bedroom	669	\$502.19	\$0.75
2 Bedroom	927	\$586.16	\$0.63
3 Bedroom	1,248	\$802.88	\$0.64
4 Bedroom	--	--	--
Rogers	886	\$607.32	\$0.69

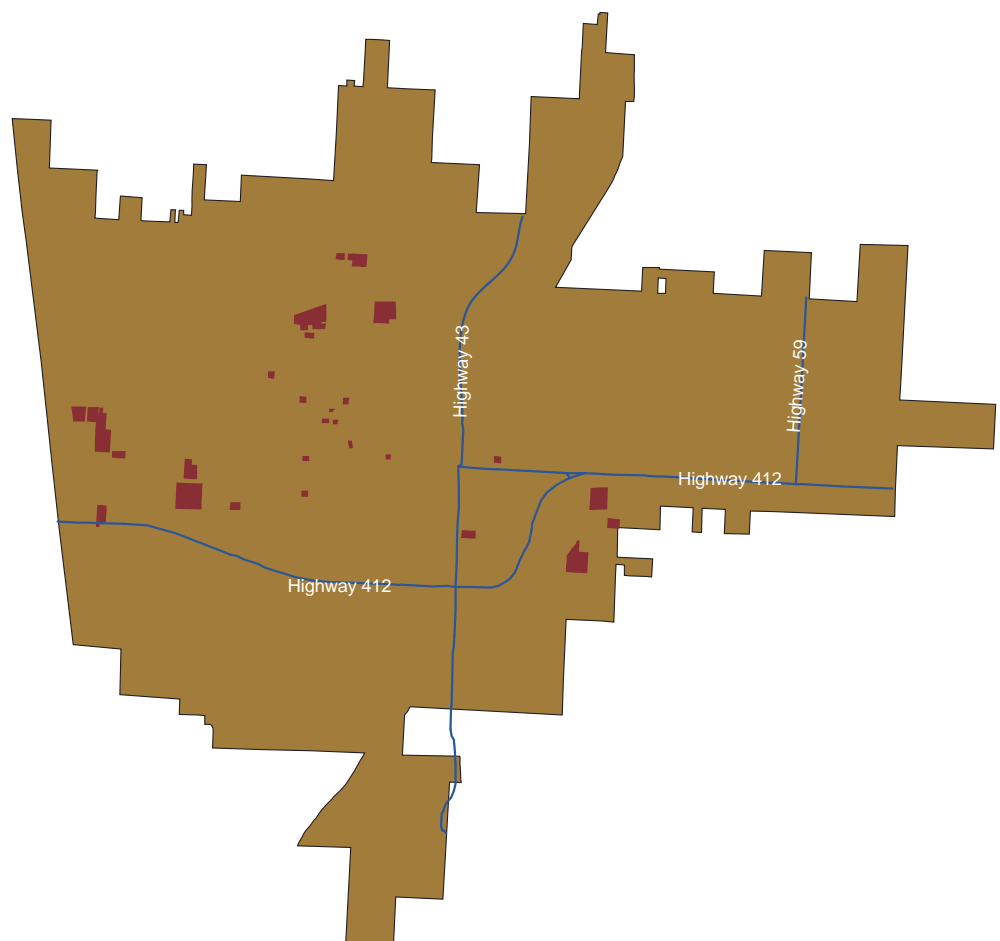


Siloam Springs

- In the database from the office of the Benton County Assessor, there were 53 multifamily properties in Siloam Springs in the third quarter of 2008. These properties comprised 692,037 square feet.
- The 39 Siloam Springs Skyline Report survey respondents accounted for 91.5 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 10.2 percent vacancy rate, up from the 9.7 percent vacancy rate in the second quarter of 2008.
- The average price of all units in Siloam Springs was \$434 while the average size of a unit was 784 square feet.
- The monthly leases for Siloam Springs multifamily properties averaged 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 Q3 2008

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	387	\$350.25	\$0.91
1 Bedroom	603	\$382.95	\$0.64
2 Bedroom	852	\$445.30	\$0.52
3 Bedroom	1,192	\$544.57	\$0.46
4 Bedroom	1,210	\$658.00	\$0.54
Siloam Springs	784	\$434.52	\$0.55



Springdale

- In the database from the office of the Washington County Assessor, there were 93 multifamily properties in Springdale in the third quarter of 2008. These properties comprised 1,622,078 square feet.
- The 83 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 5,586 units that were reported by Skyline Report survey respondents there was an 11.6 percent vacancy rate, down from 13.9 percent in the second quarter of 2008.
- The average price of all units in Springdale was \$462, while the average size of a unit was 769 square feet.
- The monthly leases for Springdale multifamily properties averaged between \$0.54 per square foot for a three bedroom apartment to \$0.75 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 Q3 2008

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	430	\$324.33	\$0.75
1 Bedroom	577	\$396.36	\$0.69
2 Bedroom	887	\$494.09	\$0.56
3 Bedroom	1,103	\$600.58	\$0.54
4 Bedroom	--	--	--
Springdale	769	\$462.42	\$0.60

