

## October 2008 Highlights

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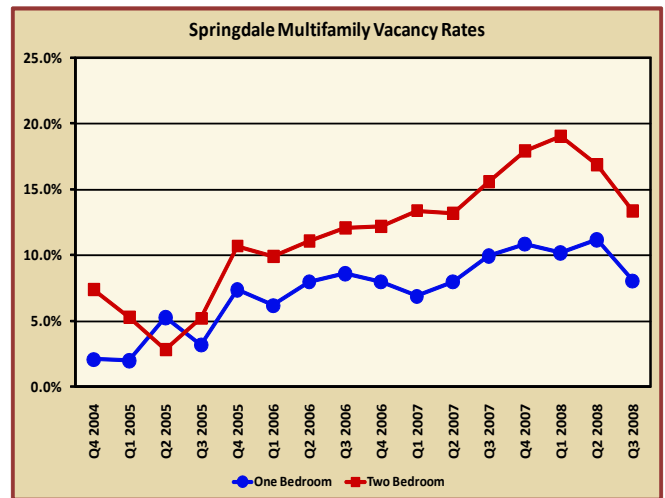
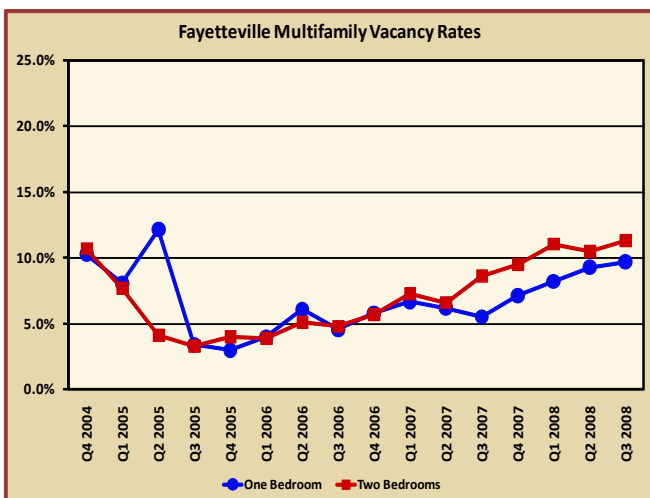
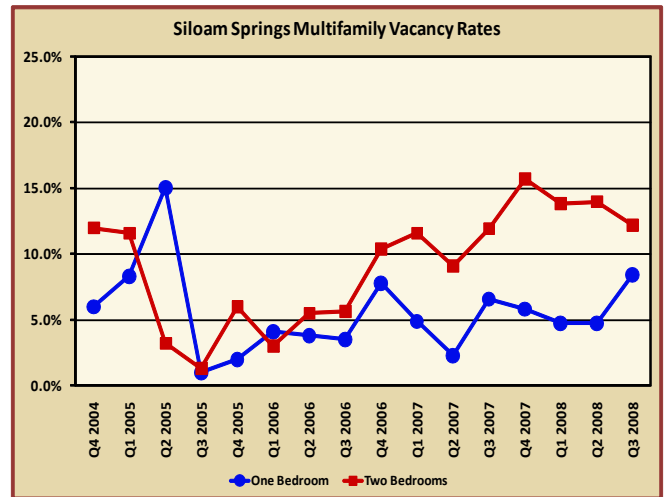
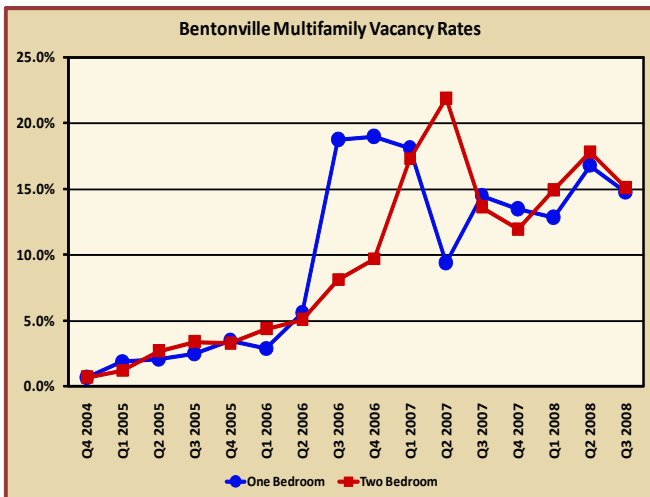
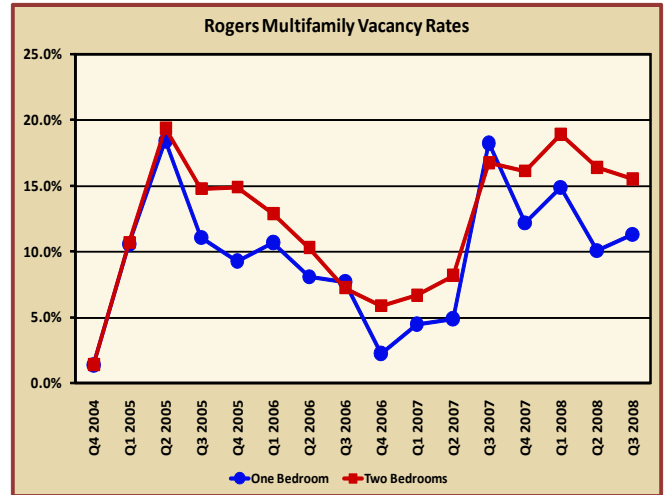
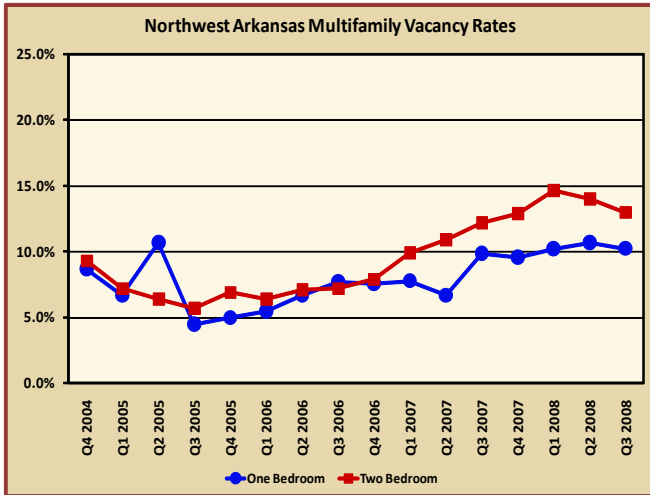
## Multifamily Real Estate Market Summary for Benton and Washington Counties

This report is the 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.

# Multifamily Market Trends



# Multifamily Market Trends

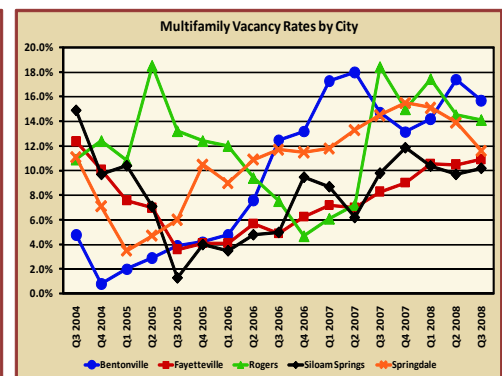
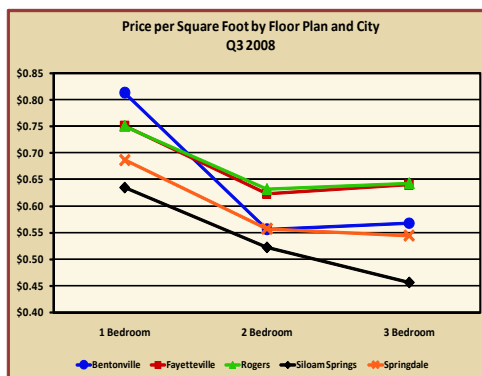
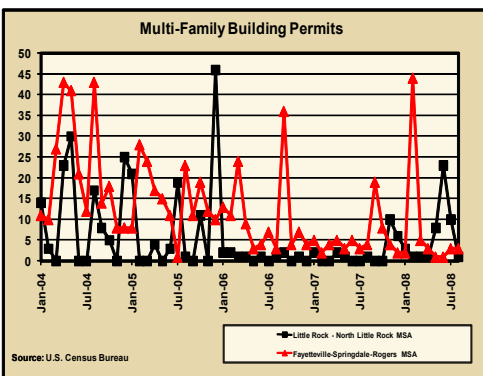
The associated table details the building permits that have been issued for multifamily housing purposes over the past twelve months. Twelve projects with values greater than a million dollars were permitted during the period. Eight of these were located in Fayetteville, one in Springdale, one

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

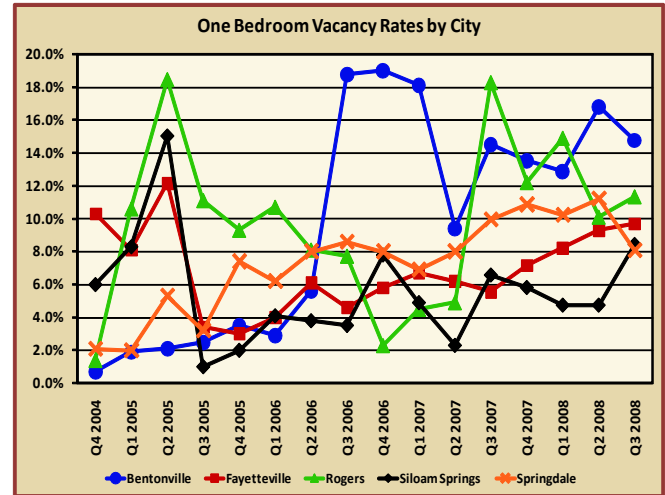
Date	Complex or Developer	Number of Permits	Total Value of Permits	City
9/4/2007	Leverett Commons Townhomes	1	\$1,063,979	Fayetteville
9/4/2007	Sunbridge Villa Duplexes	2	\$1,166,738	Fayetteville
9/6/2007	Copperstone Apartments	16	\$12,604,848	Bentonville
10/23/2007	Sycamore Condominiums	1	\$582,000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



# Multifamily Market Trends

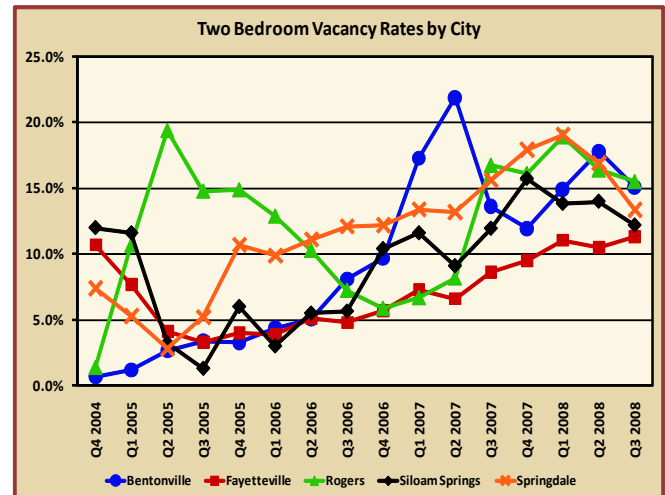
## Sample Vacancy Rates

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%
<b>NWA</b>	<b>579</b>	<b>25,316</b>	<b>12.2%</b>	<b>12.8%</b>	<b>12.2%</b>



## 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
<b>NWA</b>	<b>826</b>	<b>\$529.71</b>	<b>\$0.64</b>



## 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%
<b>NWA</b>	<b>10.3%</b>	<b>13.0%</b>	<b>15.0%</b>

