



# THE SKYLINE REPORT

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## February 2010 Highlights

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Multifamily Real Estate Market Summary  
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## Multifamily Real Estate Market Summary for Benton and Washington Counties

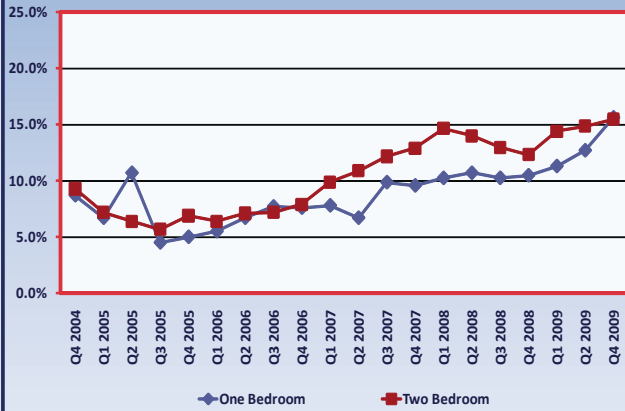
This report is the twenty-first edition of the Skyline Report for Benton and Washington Counties—Multifamily Real Estate Market Analysis. Researchers at the Center for Business and Economic Research in the Sam M. Walton College of Business at the University of Arkansas produce the Skyline Report to provide timely statistical analysis of the Northwest Arkansas multifamily real estate market. This study is a companion piece to the quarterly single-family residential and semiannual 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 Fourth Quarter of 2009

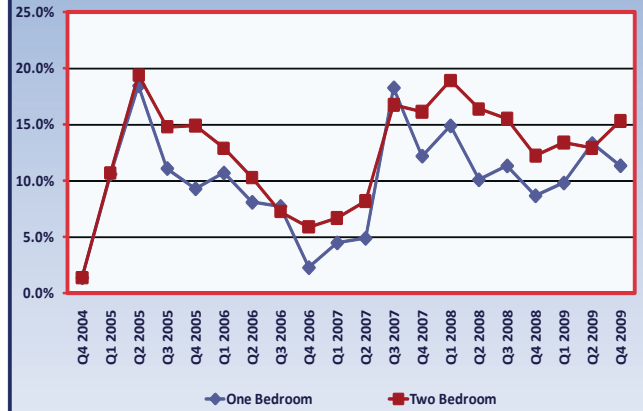
- Vacancy rates for multifamily properties in Northwest Arkansas increased from their second quarter level of 14.2 percent to 15.6 percent in the fourth quarter of 2009. The fourth quarter 2009 vacancy rate was also higher than the fourth quarter 2008 rate of 12.0 percent.
- Siloam Springs had the lowest aggregate vacancy rate at 11.5 percent this quarter, down from 16.5 percent in the second quarter. Fayetteville had the highest aggregate vacancy rate at 18.4 percent, up from 15.6 percent in the second quarter. The Rogers vacancy rate increased 0.7 percentage points to 13.7 percent and Bentonville had an increase of 0.5 percentage points in its vacancy rate to 13.0 percent in the fourth quarter. Meanwhile, Springdale experienced a decline of 0.3 percentage points to a vacancy rate of 12.7 percent in the fourth quarter of 2009.
- The average lease price per month for a multifamily property unit in Northwest Arkansas went up slightly to \$527.72 as the average square footage went slightly up to 836 square feet. 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.

# Multifamily Market Trends

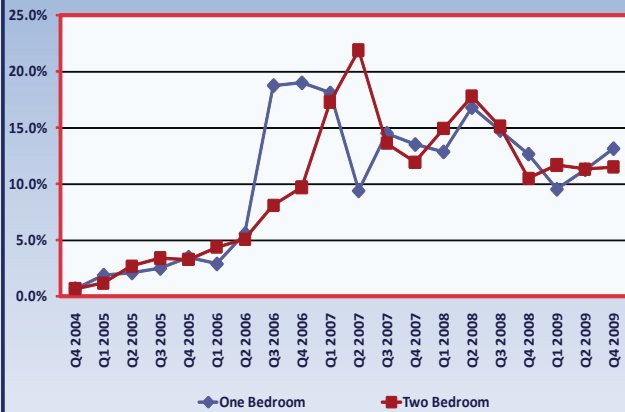
Northwest Arkansas Multifamily Vacancy Rates



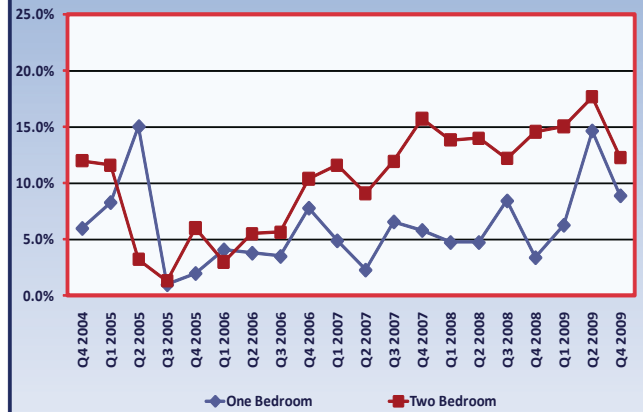
Rogers Multifamily Vacancy Rates



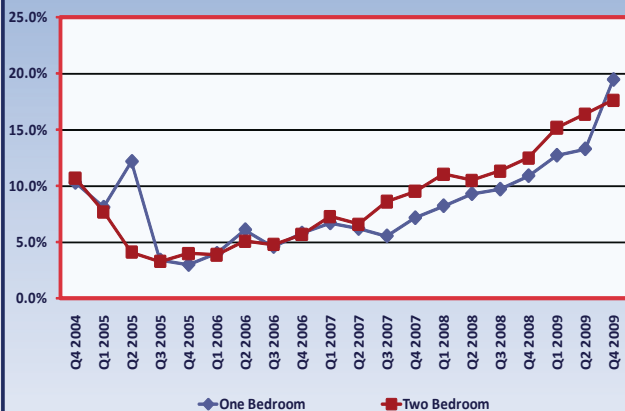
Bentonville Multifamily Vacancy Rates



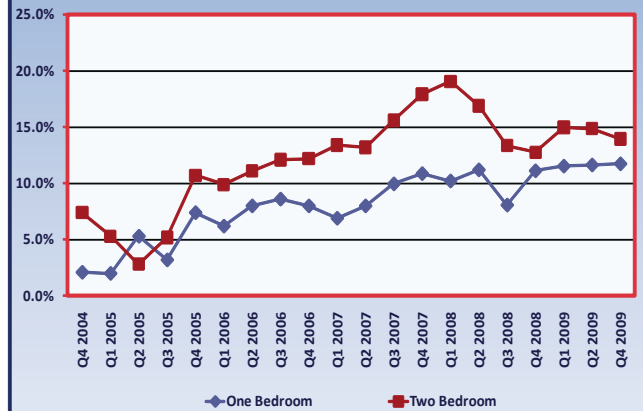
Siloam Springs Multifamily Vacancy Rates



Fayetteville Multifamily Vacancy Rates



Springdale Multifamily Vacancy Rates



# Multifamily Market Trends

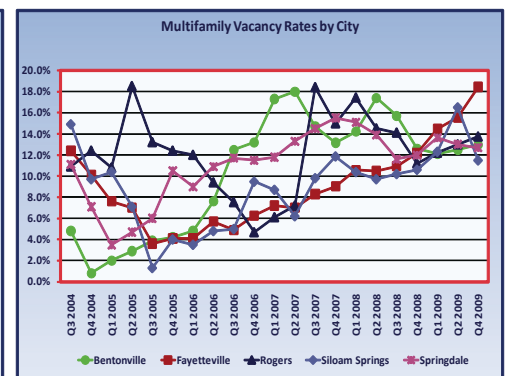
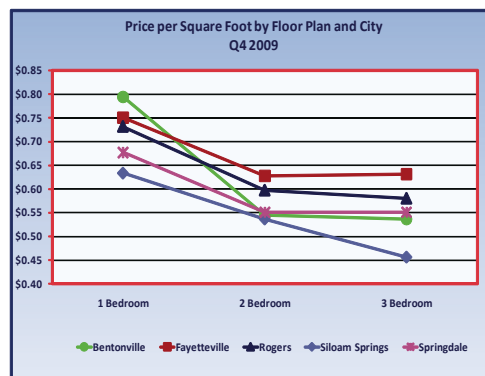
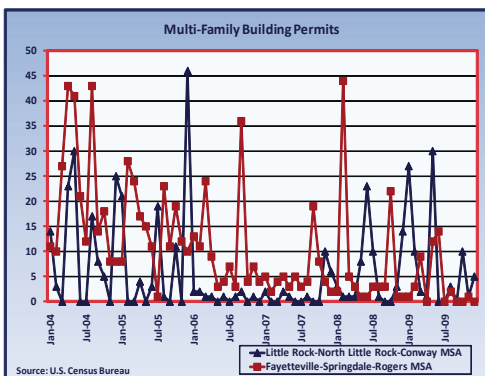
The associated table details the building permits that have been issued for multifamily housing purposes over the past twelve months. Eight projects with values greater than a million dollars were permitted during the period. Five of these were located in Fayetteville, two were located

in Springdale, and one in Bentonville. The Fayetteville projects involve the construction of Huntington Heights, Village at Scull Creek Apartments, Chestnut Townhomes, Garland Townhomes, and Courts at Whitham apartments. The Springdale projects are Hidden Lake Townhomes and

Chester Heights. All Bentonville multifamily building permits were issued for the Links at Rainbow Curve project.

## Multifamily Residence Building Permits January 2009 - December 2009

Date	Complex or Developer	Number of Permits	Total Value of Permits	City
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
6/4/2009	Links at Rainbow Curve	14	\$12,746,272	Bentonville
8/26/2009	Garland Townhomes	2	\$1,749,462	Fayetteville
11/4/2009	Courts at Whitham	1	\$1,154,580	Fayetteville
	<b>Total</b>	<b>56</b>	<b>\$51,543,009</b>	



# Multifamily Market Trends

## Sample Vacancy Rates

Market Area	Number of Complexes	Number of Units	Q4 2009 Vacancy Rate	Q2 2009 Vacancy Rate	Q4 2008 Vacancy Rate
Bentonville	119	3,408	13.0%	12.5%	12.6%
Fayetteville	278	12,942	18.4%	15.6%	12.2%
Rogers	81	4,085	13.7%	13.0%	11.2%
Siloam Springs	43	1,097	11.5%	16.5%	10.6%
Springdale	85	5,770	12.7%	13.0%	12.0%
<b>NWA</b>	<b>606</b>	<b>27,302</b>	<b>15.6%</b>	<b>14.2%</b>	<b>12.0%</b>

## Average Size and Price by Floor Plan Q4 2009

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	408	\$441.50	\$1.08
1 Bedroom	610	\$446.88	\$0.73
2 Bedroom	909	\$536.39	\$0.59
3 Bedroom	1238	\$712.46	\$0.58
4 Bedroom	1501	\$821.91	\$0.55
<b>NWA</b>	<b>836</b>	<b>\$527.72</b>	<b>\$0.63</b>

## Median Size and Price by Floor Plan Q4 2009

Floor Plan	Median Square Feet	Median Price per Month	Median Price per Square Foot
Studio	403	\$350.00	\$0.87
1 Bedroom	600	\$398.50	\$0.66
2 Bedroom	884	\$500.00	\$0.57
3 Bedroom	1,225	\$650.00	\$0.53
4 Bedroom	1300	\$696.00	\$0.54
<b>NWA</b>	<b>800</b>	<b>\$485.00</b>	<b>\$0.61</b>

## Vacancy Rates by Floor Plan Q4 2009

Market Area	1 Bedroom	2 Bedroom	3 Bedroom
Bentonville	13.1%	11.5%	25.1%
Fayetteville	19.4%	17.6%	19.6%
Rogers	11.3%	15.3%	13.9%
Siloam Springs	8.9%	12.3%	8.0%
Springdale	11.7%	14.0%	6.6%
<b>NWA</b>	<b>15.6%</b>	<b>15.5%</b>	<b>15.0%</b>

