

THE SKYLINE REPORT

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One Page Summary First Half of 2022

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The Skyline Report
First Half of 2022

Real Estate Summary For Benton, Madison, and Washington Counties

In the first half of 2022, the average price of a home in Benton County reached \$403,829, 29.7 percent higher than a year ago and 77.6 percent higher than five years ago. In Washington County, the average was \$362,924, which was 22.1 percent higher than a year ago and 73.2 percent higher than five years ago.

The price increase from a year ago would have been 4.6 percent lower in Benton County and 1.7 percent lower in Washington County if home sales over \$1 million were removed from the calculations.

Home sales decreased 0.1 percent from a year ago, but 19.6 percent from last half, to 4,848. However, 1,193 homes were listed for sale at the end of June, the highest number since the first half of 2020.

The number of building permits issued in Northwest Arkansas in the first half of 2022 increased to 2,892, the highest total since the 3,265 building permits issued in the first half of 2006.

Home starts plus homes under construction totaled 2,308 in the first half of 2022, the highest level in Skyline data collection.

The multifamily vacancy rate decreased to 2.3 percent in the first half of 2022 from 3.0 percent in the second half of 2021. The low vacancy rate was driven by decreases in Bentonville, Rogers, Siloam Springs, and Springdale. Fayetteville saw a slight vacancy rate increase.

The multifamily market has an additional 16,000 units (2,000 higher than in the second half of 2021), under construction or announced throughout the region. This represents 33.6 percent of the current inventory in Northwest Arkansas.

In the first half of 2022, the average rent was \$860.97, 9.1 percent higher than a year ago, and 31.7 percent higher than five years ago.

In the first half of 2022, 35 current multifamily projects had building permits valued at \$371.8 million an increase from \$216.9 million in the second half of 2021. This was the highest since \$482.4 million in the first half of 2020, and the third highest in Skyline data.

The overall vacancy rate for commercial property decreased to 5.8 percent in the first half of 2022, driven by 1,234,890 square feet of net positive absorption. 521,750 square feet of new commercial space was added to the market.

The warehouse vacancy rate decreased from 5.3 percent in the second half of 2021 to 0.8 percent in the first half of 2022 due to net positive absorption of 542,000 square feet of space, while 229,000 square feet of new warehouse space was added. 134,255 square feet of new office/warehouse space was added as respondents continued to report increasing demand for new warehouse and flex warehouse space.

The office vacancy rate dropped to 9.1 percent in the first half of 2022 from 10.0 in the second half of 2021. There was strong leasing activity in both Class A and Class B office submarkets. New office space of 50,820 square feet was added in the first half of 2022.

In the retail submarket, the vacancy rate decreased to 7.9 percent in the first half of 2022 from 9.5 percent in the second half of 2021, as 20,000 square feet of new space, all Class B, entered the market and there was net positive absorption of 163,442 square feet.

\$293.7 million in commercial building permits were issued in the first half of 2022 with Walmart accounting for \$170.1 million. This is a decrease from \$379.1 million and 290.2 million in the second half of 2021.

Center for Business and Economic Research

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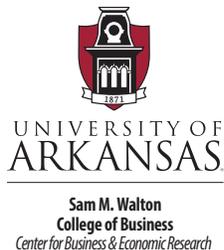
Residential Highlights First Half 2022

Highlights.....1
Residential Market Trends.....2

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Residential Real Estate Summary Benton, Madison and Washington Counties

The fifty-second edition of the Skyline Report for Benton and Washington Counties—Residential 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 residential real estate market. As the population of Northwest Arkansas increases, it is imperative that housing markets work efficiently in order to meet the demand of new and existing residents. The Skyline Report includes the information that is necessary to help market participants make good decisions.

Highlights from the First Half of 2022

2,892 building permits were issued in Northwest Arkansas Region during the first half of 2022. This is 16.1 percent increase from the 2,490 permits issued in second half of 2021. Benton County accounted for 1,943, Washington County accounted for 932, and Madison accounted for 17 new permits. The average building permit value also increased from \$290,152 in the second half of 2021 to \$322,482 in the first half of 2022.

21,286 total lots in 359 active subdivisions were identified by Skyline Report researchers in the first half of 2022. Regional data includes Benton, Madison, and Washington Counties.

1,891 new houses became occupied, up 18.2 percent from 1,600 in the second half of 2021. Benton County accounted for 1,098, Madison County for 47, and Washington had 746 newly absorbed lots. Empty lot totals for all three counties declined from 4,213 in the second half of 2021 to 3,699 in the first half of 2022.

Using the absorption rate from the past twelve months implies that there were 21.5 months supply of remaining lots in active subdivisions in Northwest Arkansas.

An additional 13,092 residential lots have received either preliminary or final approval in Northwest Arkansas leading to 66.5 months of remaining lot inventory.

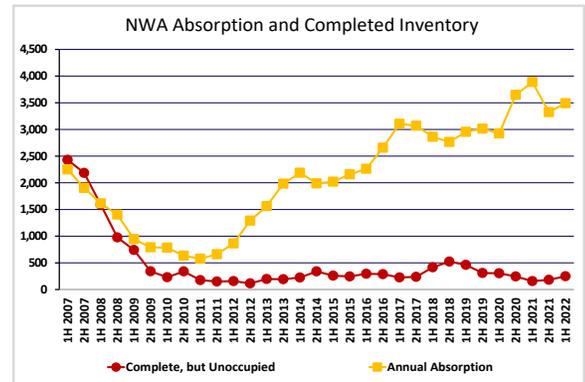
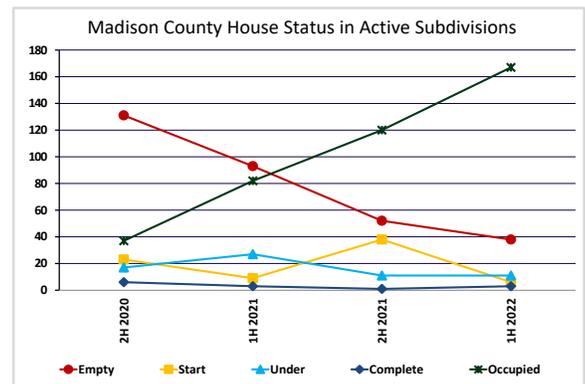
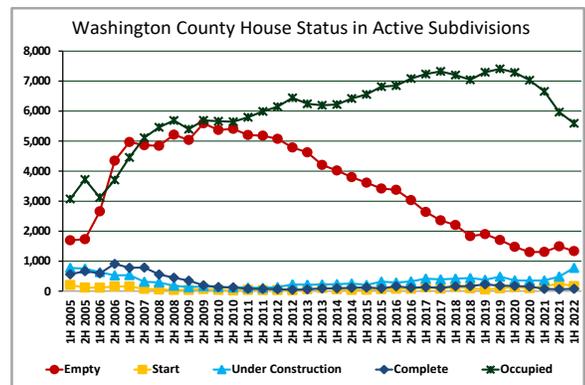
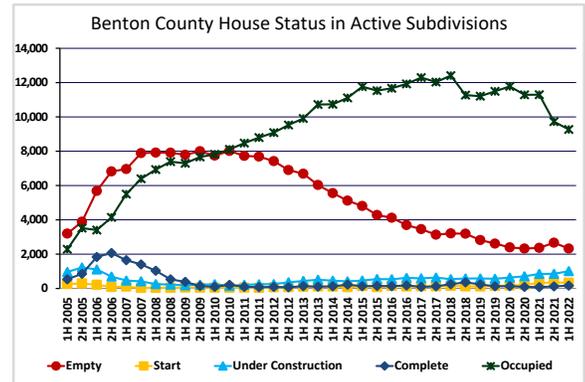
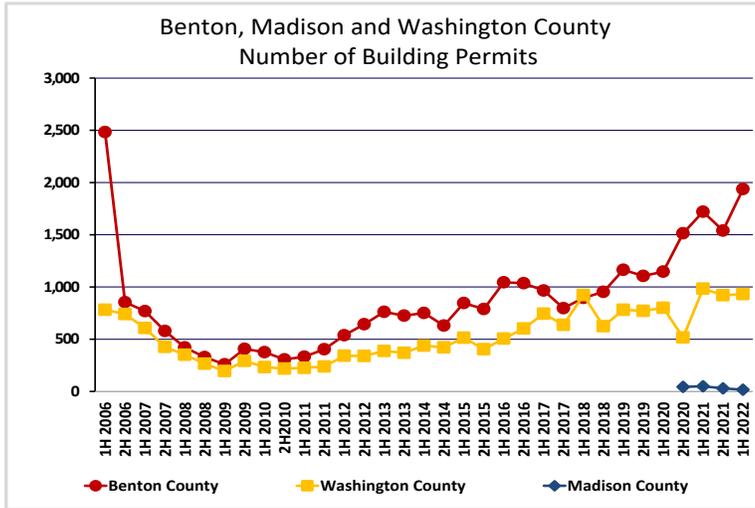
According to the Assessors' databases, 62.5 percent of houses in Benton County, 36.6 percent of the houses in Madison County, and 62.1 percent of houses in Washington County were owner occupied. For all three counties, owner occupied properties have gradually declined since 2012.

During the first half of 2022, a total of 4,848 houses were sold in Benton, Madison, and Washington counties. This is a decrease of 19.6 percent from the 6,030 sold during the second half of 2021. The average sales price of a house in Benton County was \$403,829, in Madison County \$238,463, and Washington County \$362,924 in the first half of 2022.

1,193 houses were listed for sale in the MLS database as of June 30, 2022. The average list price was \$574,132.

Regional Market Trends

Building Permits and Subdivision Status

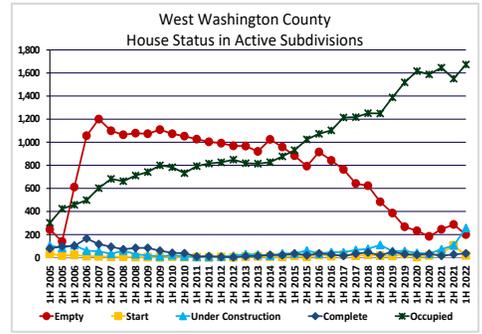
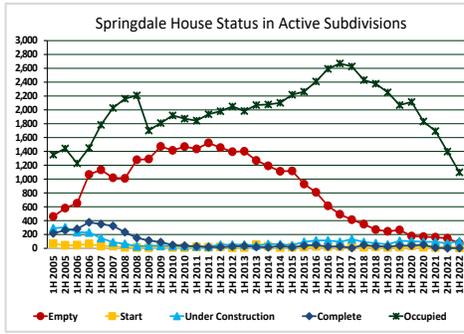
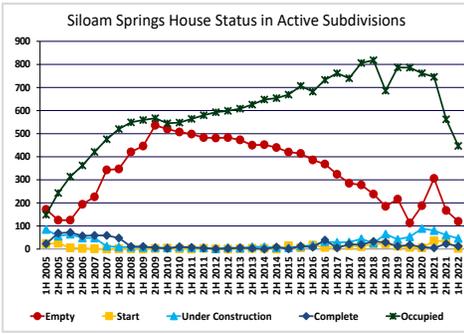
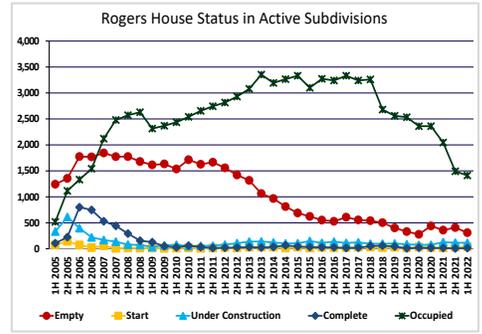
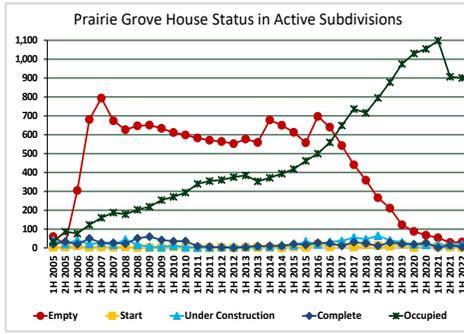
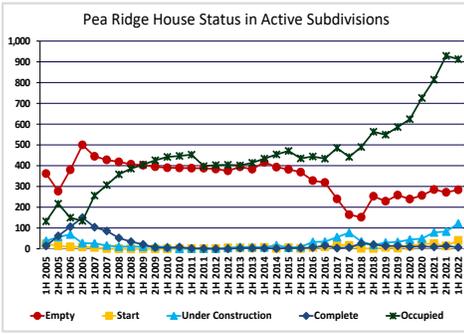
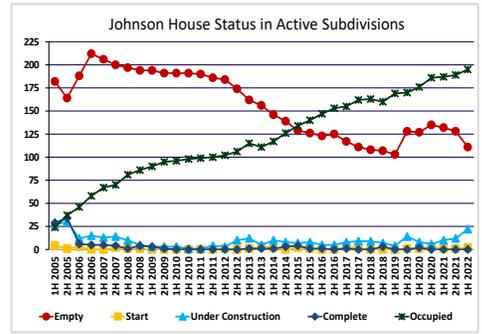
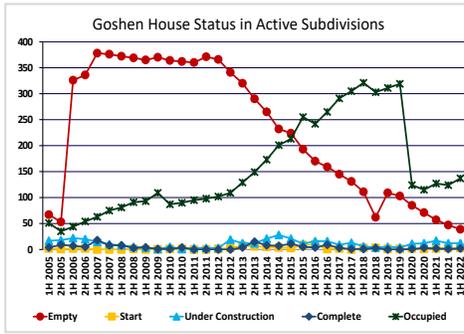
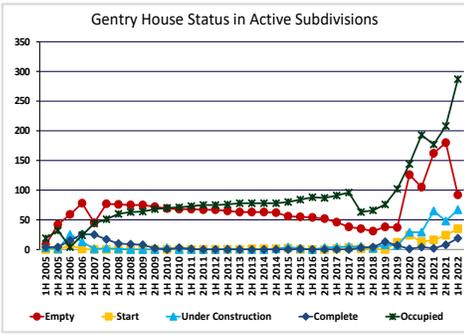
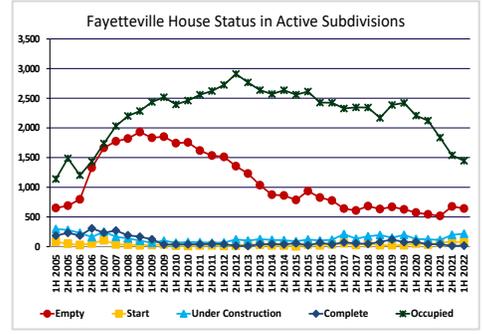
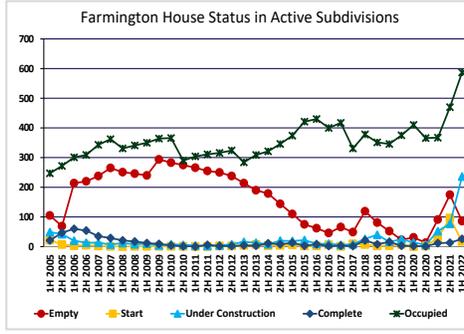
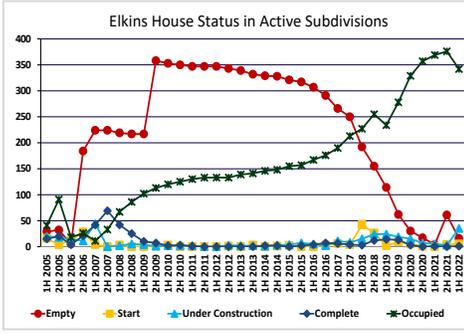
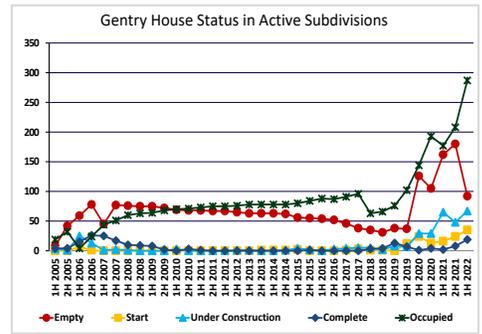
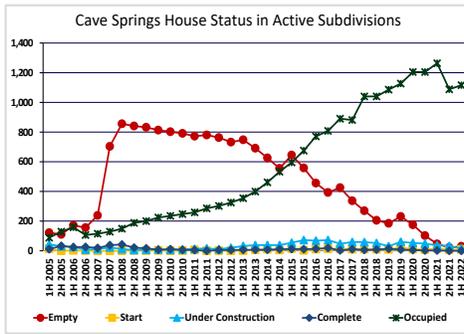
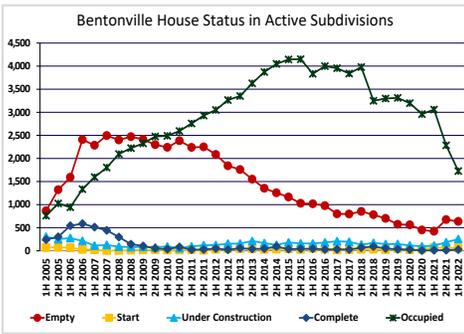


Benton and Washington Yearly Average Building Permits	2H 2021 Number	1H 2022 Number	2H 2021 Average Value	1H 2022 Average Value
Bella Vista	267	311	\$321,025	\$339,392
Bentonville	266	323	\$369,933	\$399,448
Cave Springs	14	6	\$366,964	\$419,857
Centerton	355	546	\$284,730	\$283,580
Decatur	9	103	\$168,824	\$341,912
Elkins	9	56	\$229,155	\$189,833
Elm Springs	23	28	\$366,505	\$444,040
Farmington	236	77	\$263,581	\$336,183
Fayetteville	241	383	\$295,558	\$413,174
Gentry	106	109	\$118,825	\$175,259
Goshen	12	10	\$493,490	\$499,784
Gravette	17	14	\$329,028	\$350,113
Greenland	1	5	\$462,000	\$426,060
Highfill	66	69	\$248,182	\$264,567
Huntsville	30	17	\$200,618	\$200,618
Johnson	12	9	\$717,491	\$729,734
Lincoln	4	9	\$143,375	\$201,227
Little Flock	3	4	\$355,032	\$263,951
Lowell	108	77	\$227,954	\$313,926
Pea Ridge	126	146	\$267,923	\$278,937
Prairie Grove	24	157	\$191,556	\$263,361
Rogers	162	156	\$394,257	\$382,636
Siloam Springs	40	73	\$126,088	\$143,022
Springdale	128	67	\$317,664	\$332,487
Tontitown	230	127	\$248,620	\$266,762
West Fork	1	4	\$175,000	\$214,875
NWA	2,490	2,892	\$290,152	\$322,482

*The table includes 6 permits in Garfield averaging \$442,246. If Garfield continues to have building permits, the table will be updated and include Garfield in future reports.

Regional Market Trends

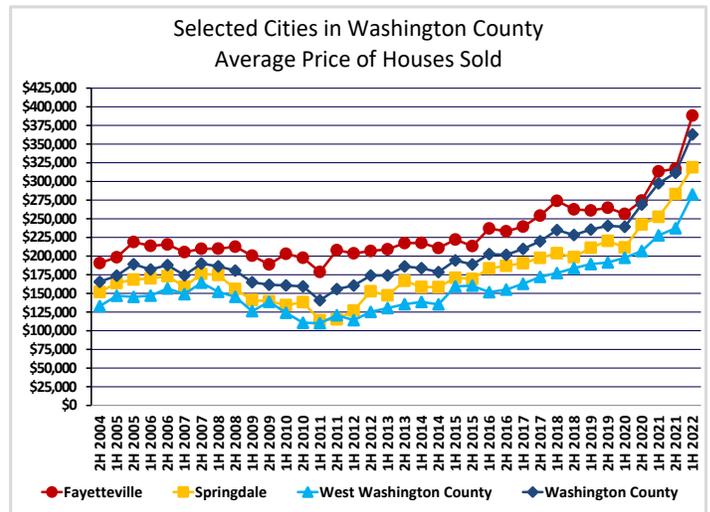
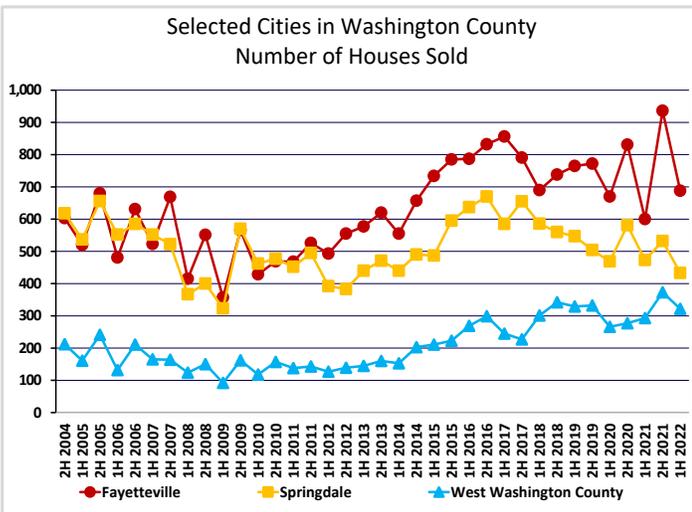
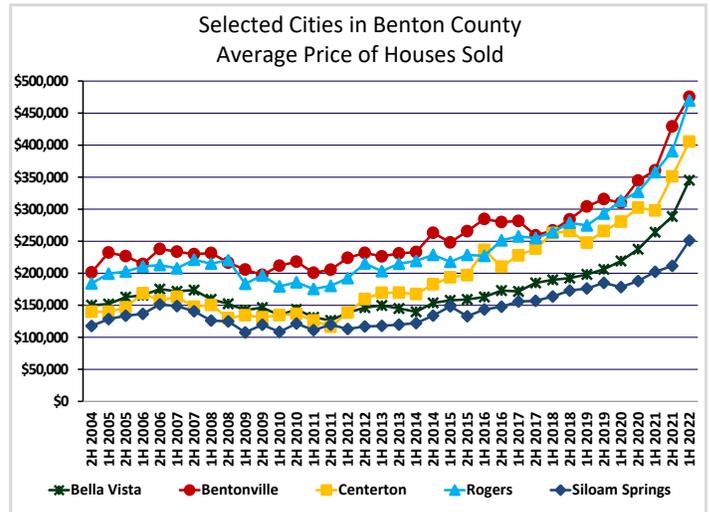
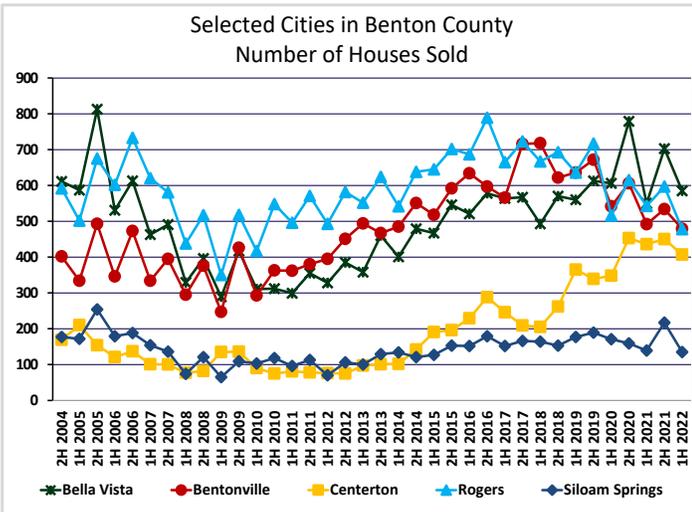
Active Subdivisions



Regional Market Trends

Subdivision Status and Home Sales

Active Subdivision Status by City	Empty	Start	Under Construction	Completed	Occupied	Total Lots	Absorbed Lots	Coming Lots, Not Yet Active
Bentonville	564	65	184	12	2,283	3,108	97	1,345
Centerton	613	134	211	34	2,134	3,126	313	1,834
Fayetteville	671	83	198	14	1,539	2,505	102	1,786
Rogers	407	28	117	7	1,493	2,052	127	781
Siloam Springs	167	34	61	23	562	847	99	1,029
Springdale	144	29	73	2	1,397	1,645	92	1,611
West Washington County	287	106	106	28	1,551	2,078	145	1,695
Selected Cities	2,853	479	950	120	10,959	15,361	975	10,081



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Multifamily Highlights First Half 2022

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Real Estate Summary For Benton and Washington Counties

This report is the forty-sixth 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 semiannual single-family residential and commercial Skyline Reports. 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 First Half of 2022

The vacancy rate for all multifamily properties in Northwest Arkansas decreased to 2.3 percent in the first half of 2022 from 3.0 percent in the second half of 2021. The rate was 3.4 percent in the first half of 2021.

The Fayetteville vacancy rate increased to 3.5 percent in the first half of 2022 from 3.4 percent in the second half of 2021. More than 4,400 additional rental units (19.0 percent of current inventory) have been announced or are under construction in new multifamily projects in Fayetteville.

In Bentonville, vacancy rates decreased to 1.4 percent in the first half of 2022 from 3.0 percent in the second half of 2021. There are also more than 3,200 rental units (36.8 percent of current inventory) that have been announced or are under construction in new multifamily projects in the Bentonville and Centerton area.

Vacancy rates in Rogers decreased to 0.8 percent in the first half of 2022 from 4.0 percent in the second half of 2021. More than 5,600 additional rental units (80.7 percent of current inventory) have been announced or are under construction in the Rogers submarket.

Siloam Springs vacancy decreased to 0.6 percent in the first half of 2022, from 0.8 percent in the second half of 2021, still remaining the lowest in Northwest Arkansas. Over 400 additional rental units (41.4 percent of current inventory) have been announced or are under construction in the Siloam Springs submarket.

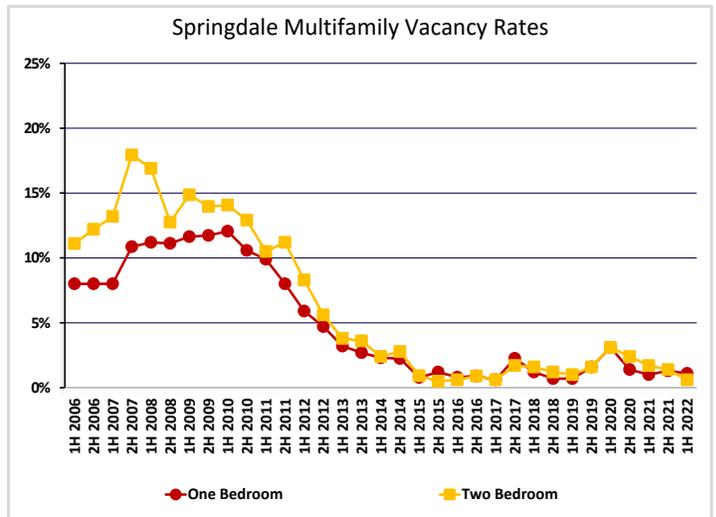
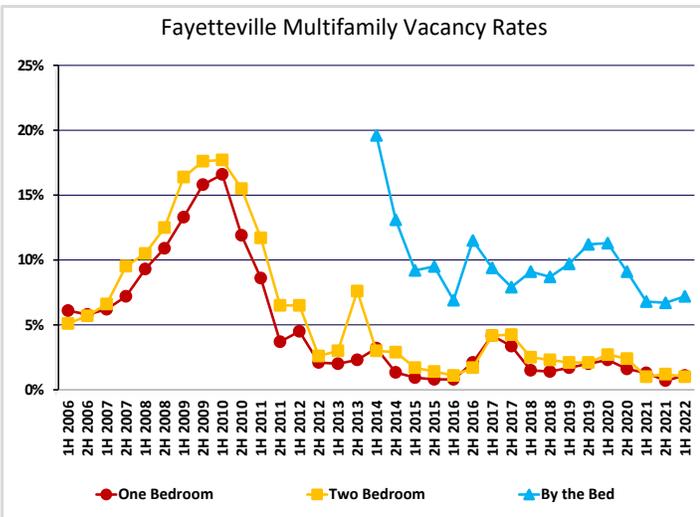
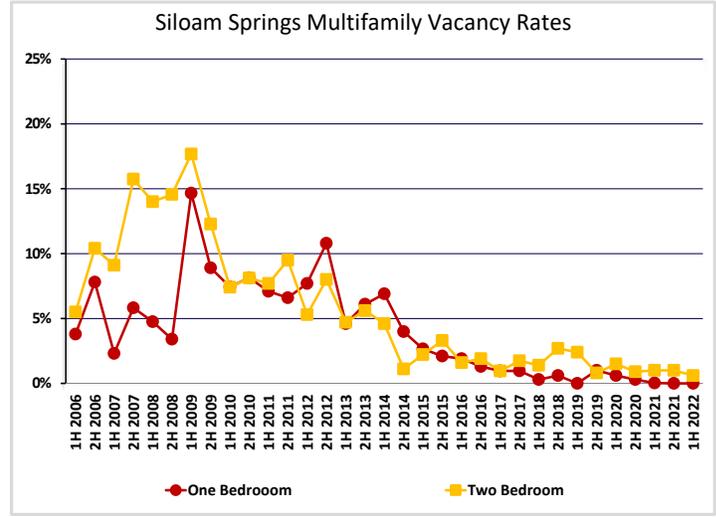
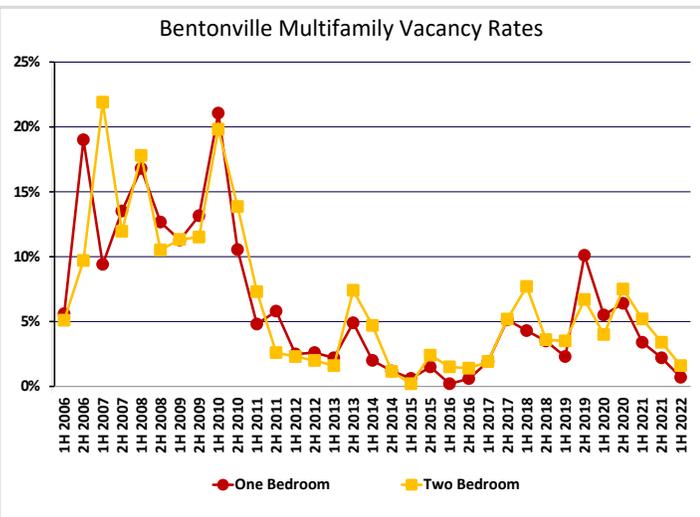
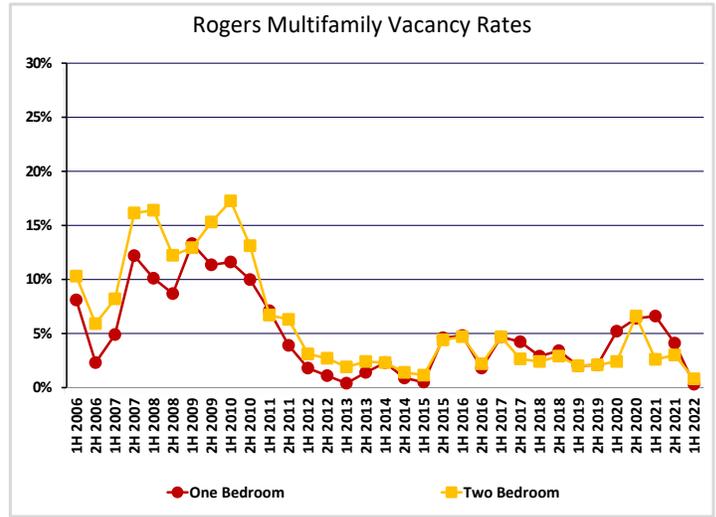
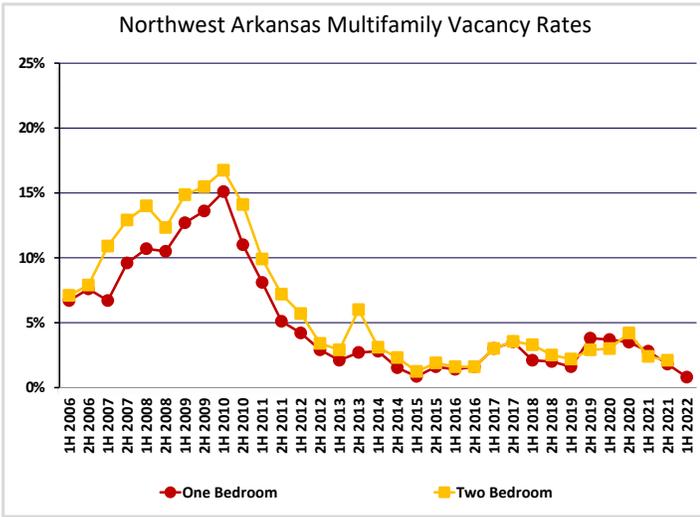
In Springdale, the vacancy rate decreased to 1.2 percent in the first half of 2022 from 1.3 percent in the second half of 2021. Over 2,500 new rental units (30.9 percent of current inventory) have been announced or are under construction in multifamily projects in the Springdale and Tontitown area.

In the first half of 2022, the average lease rate per month for a multifamily property unit in Northwest Arkansas increased to \$860.87, from \$789.06 in the second half of 2021.

\$371,838,899 million of multifamily building permits were issued in the first half of 2022, up from \$216.9 million in the second half of 2021.

Regional Market Trends

Multifamily Vacancy Rates



Regional Market Trends

Multifamily Rates and Building Permits

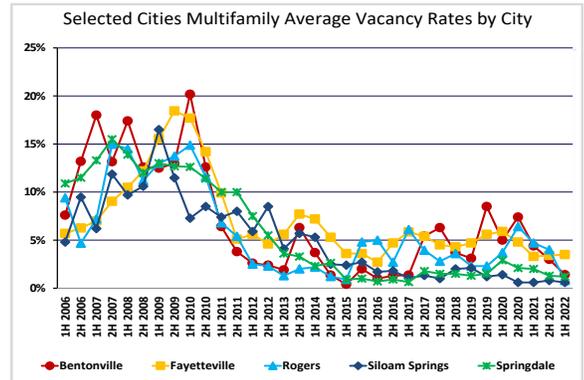
In Northwest Arkansas, 227 building permits were issued, worth just over \$371.8 million, for 35 separate complexes. Ten of the projects are located in Bentonville/Centerton with permits valued at \$79.4 million. Rogers had eight projects valued at \$184.7 million. Bend at Promenade was the highest valued project at \$40.4 million and the Hutton Apartments was valued at \$36.0 million. Siloam Springs had Endura Park valued just under \$1.0 million. Seven projects are in Fayetteville, valued at \$19.9 million. 5 projects with permits valued at \$65.6million were located in Springdale/Tontitown. The highest was Hillcrest Village valued at \$29.2 million. In Lowell Pure Lowell was valued at \$21.3 million.

Multifamily Building Permits	Complex or Developer	Number of New Permits	Total Value of Permits	City
8/16/2021	4th and B	6	\$1,488,421	Bentonville
9/9/2021	4th St Townhomes	3	\$570,210	Bentonville
9/14/2021	Mulberry Court	8	\$1,042,736	Bentonville
9/14/2021	G St Townhomes	6	\$1,069,964	Bentonville
10/7/2021	Hawthorne Heights	3	\$3,196,323	Bentonville
10/7/2021	Haxton District	5	\$1,771,083	Bentonville
2/1/2022	Aviator	17	\$23,155,282	Bentonville
4/5/2022	Crystal Flats	3	\$19,186,713	Bentonville
4/6/2022	Hawthorne Heights	1	\$383,642	Bentonville
2/14/2022	Watercolor	7	\$27,510,078	Centerton
7/14/2021	Leverett Multifamily	2	\$4,735,920	Fayetteville
7/21/2021	Moore Townhomes	9	\$2,332,289	Fayetteville
9/19/2021	L & F Duplexes	1	\$600,721	Fayetteville
10/8/2021	Huntsville Apartments	1	\$1,800,000	Fayetteville
10/26/2021	Thrive	2	\$1,269,309	Fayetteville
12/3/2021	Oakland Duplexes	5	\$2,575,491	Fayetteville
1/21/2022	RPH Stone Street	1	\$746,693	Fayetteville
3/7/2022	Stadium Apartments	3	\$1,804,673	Fayetteville
5/3/2022	Campus Edge	4	\$2,752,708	Fayetteville
6/24/2022	Canterbury Apartments	1	\$1,300,000	Fayetteville
6/29/2022	Pure Lowell	10	\$21,315,966	Lowell
7/13/2021	Brownstones at Pinnacle	28	\$9,273,140	Rogers
9/14/2021	Hutton Apartments	5	\$36,023,025	Rogers
9/21/2021	Greens at Blossom Way	11	\$29,440,103	Rogers
10/1/2021	Pinnacle Hills Active Living	4	\$18,643,141	Rogers
3/3/2022	Dodson Pointe	5	\$18,875,484	Rogers
3/2/2022	Promenade Commons	1	\$7,129,574	Rogers
6/21/2022	Pinnacle Springs Retirement	1	\$24,866,572	Rogers
4/13/2022	Bend on Promenade	11	\$40,440,712	Rogers
1/28/2022	Endura Park	5	\$951,090	Siloam Springs
7/1/2021	Reserve at Springdale	18	\$14,837,855	Springdale
8/10/2021	Oriole St Townhomes	5	\$3,117,600	Springdale
9/1/2021	Grassroots Apartments	8	\$8,988,028	Springdale
10/29/2021	Stoneridge at Springdale	4	\$9,434,103	Springdale
3/4/2022	Hillcrest Village	23	\$29,210,249	Springdale
NWA	35	227	\$371,838,899	

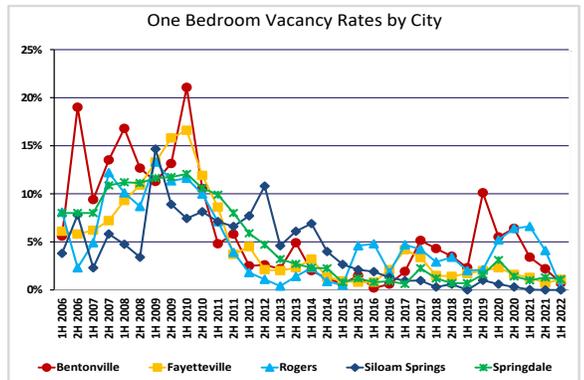
Regional Market Trends

Multifamily Sample Data

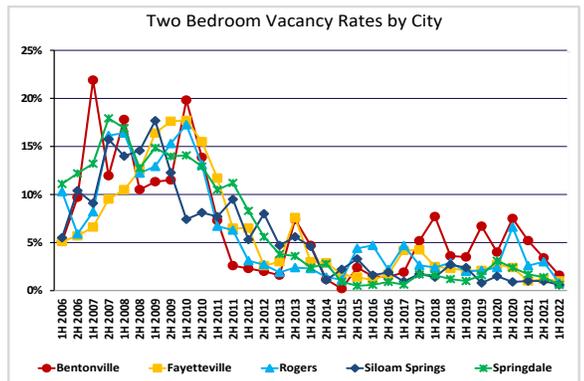
Sample Vacancy Rates	Number of Apartment Complexes	Number of Units	1H 2022 Vacancy Rate	2H 2021 Vacancy Rate	1H 2021 Vacancy Rate
Bentonville	147	8,755	1.4%	3.0%	4.4%
Fayetteville	370	23,700	3.5%	3.4%	3.3%
Rogers	116	7,035	0.8%	4.0%	4.7%
Siloam Springs	51	1,189	0.6%	0.8%	0.6%
Springdale	125	8,221	1.2%	1.3%	2.0%
NWA	809	48,900	2.3%	3.0%	3.4%



Average Unit Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	548	\$798.59	\$1.46
By the Bed	418	\$649.16	\$1.55
1 Bedroom	648	\$807.10	\$1.25
2 Bedroom	949	\$935.82	\$0.99
3 Bedroom	1,256	\$1,208.51	\$0.96
4 Bedroom	1,550	\$1,610.89	\$1.04
NWA	775	\$860.87	\$1.11



Median Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	499	\$650.00	\$1.30
By the Bed	408	\$646.50	\$1.58
1 Bedroom	618	\$618.00	\$1.00
2 Bedroom	900	\$750.00	\$0.83
3 Bedroom	1,300	\$999.00	\$0.77
4 Bedroom	1,476	\$1,250.00	\$0.85
NWA	832	\$750.00	\$0.90



Vacancy Rates by Floor Plan	By the Bedroom	One Bedroom	Two Bedroom	Three Bedroom
Bentonville	0.0%	0.7%	1.6%	4.2%
Fayetteville	7.2%	1.1%	1.1%	0.9%
Rogers	0.0%	0.3%	0.8%	1.5%
Siloam Springs	0.0%	0.0%	0.6%	1.6%
Springdale	0.0%	1.1%	0.6%	3.2%
NWA	7.2%	0.8%	1.0%	2.4%

