

THE SKYLINE REPORT

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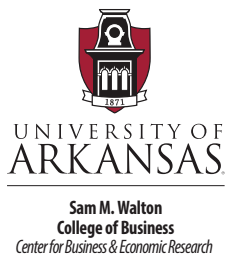
Residential Highlights Second Half 2021

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Residential Real Estate Summary Benton, Madison and Washington Counties

The fifty-first 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 Second Half of 2021

2,490 building permits were issued in Benton, Madison, and Washington counties during the second half of 2021. Benton County accounted for 1,539, Washington County accounted for 921, and Madison accounted for 30 new permits.

22,323 total lots in 374 active subdivisions were identified by Skyline Report researchers in the second half of 2021. Regional data includes Benton, Madison, and Washington Counties.

1,600 new houses became occupied, down 7.1 percent from 1,723 in the first half of 2021. Benton County accounted for 1,083, Madison County for 68, and Washington had 449 newly absorbed lots. Empty lot totals for all three counties rose from 3,763 in the first half of 2021 to 4,353 in the second half of 2021.

Using the absorption rate from the past twelve months implies that there were 23.5 months supply of remaining lots in active subdivisions in Northwest Arkansas.

An additional 12,553 residential lots have received either preliminary or final approval in Northwest Arkansas. Adding these proposed lots to those in active subdivisions yields 68.9 months of remaining lot inventory.

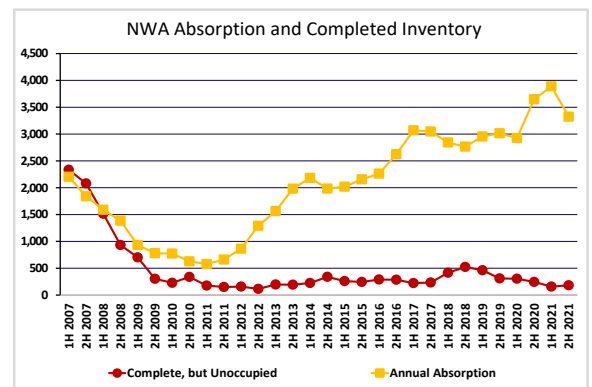
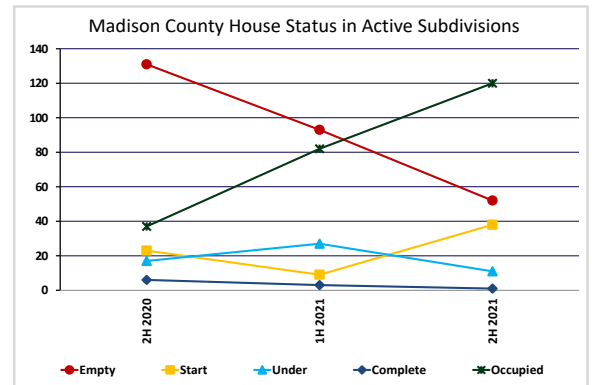
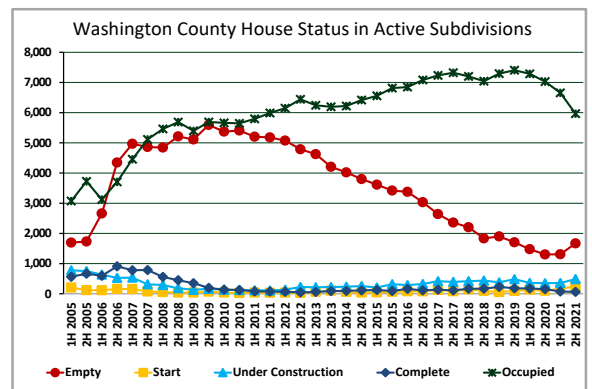
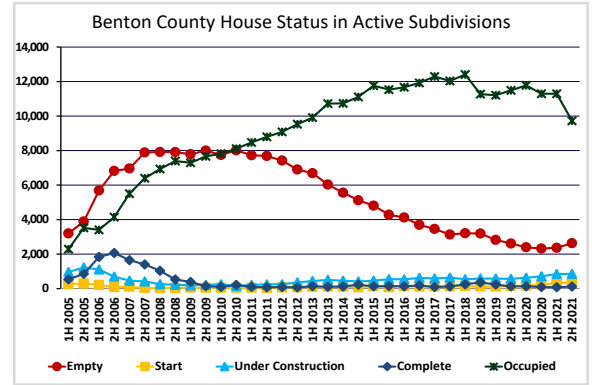
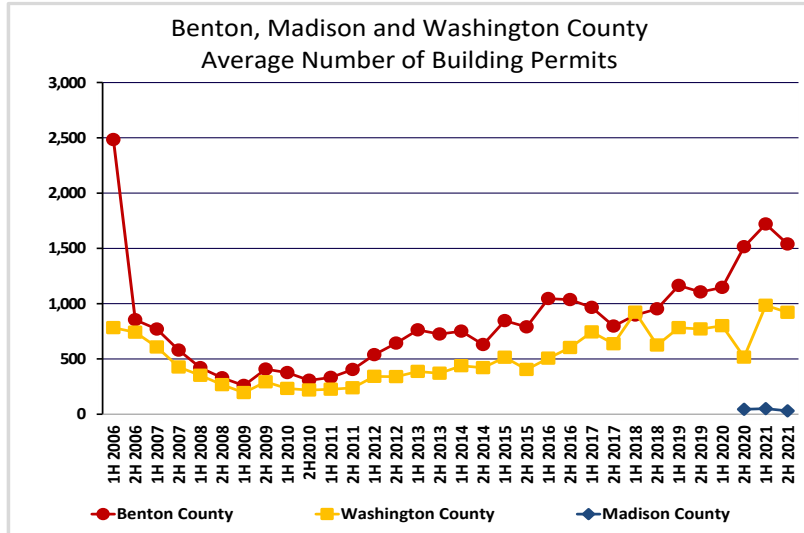
According to the Assessors' databases, 63.5 percent of houses in Benton County, 36.6 percent of the houses in Madison County, and 61.7 percent of houses in Washington County were owner occupied. For all three counties, owner occupied properties have gradually declined since 2012.

During the second half of 2021, a total of 6,030 houses were sold in Benton, Madison, and Washington counties. This is an increase of increase of 3.9 percent from the 5,803 sold during the second half of 2020. The average sales price of a house in Benton County was \$345,517, in Madison County \$216,079, and Washington County \$311,517 in the second half of 2021.

584 houses were listed for sale in the MLS database as of December 31, 2021. The average list price was \$579,089. This is the smallest number of listed houses since 2009.

Regional Market Trends

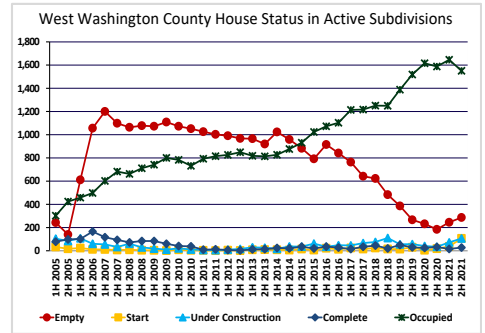
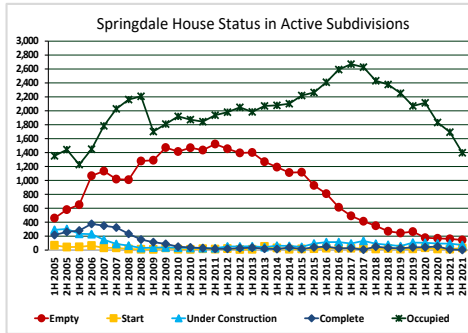
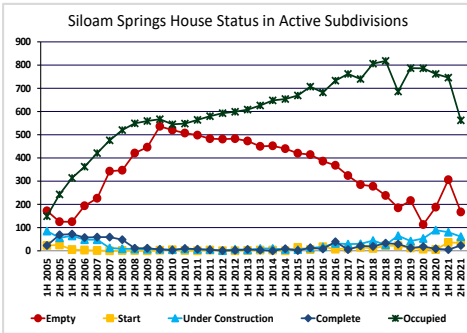
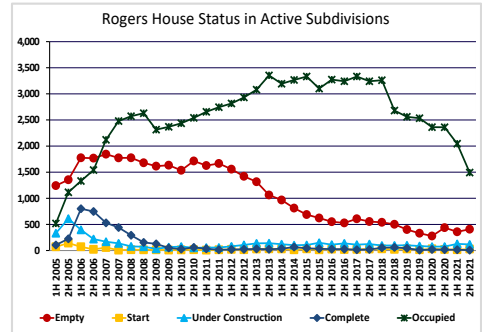
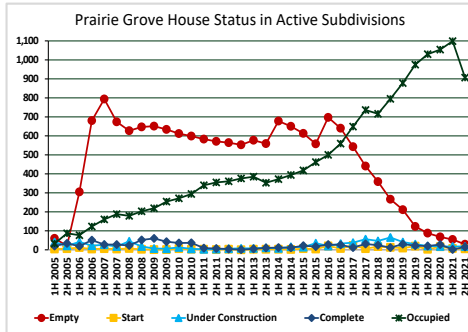
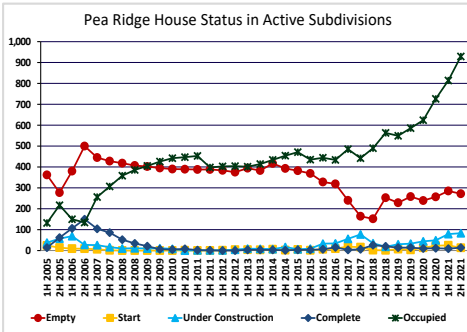
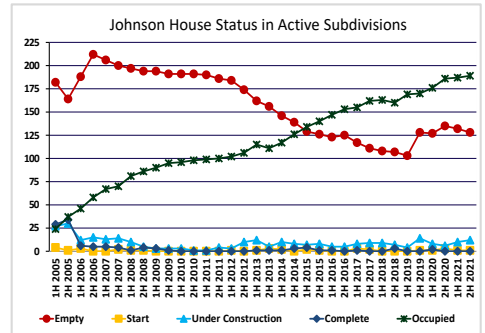
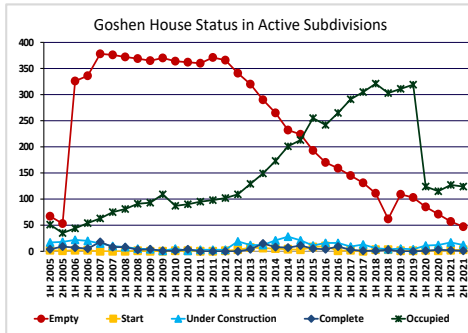
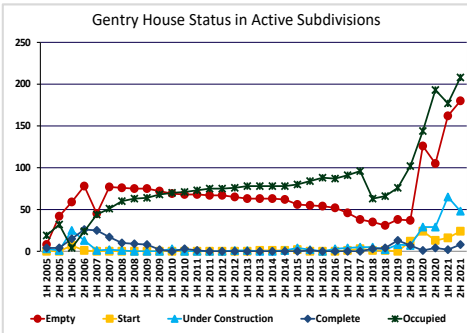
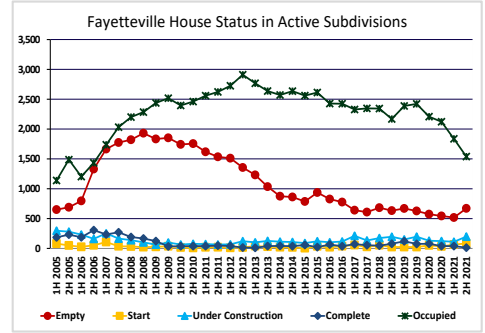
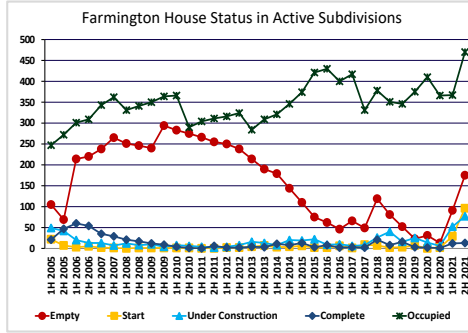
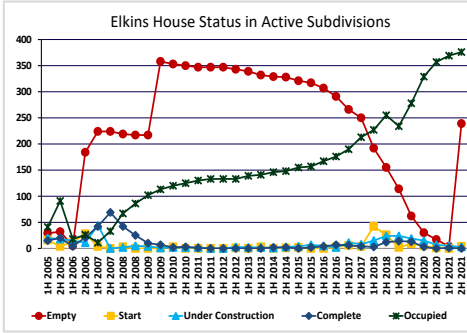
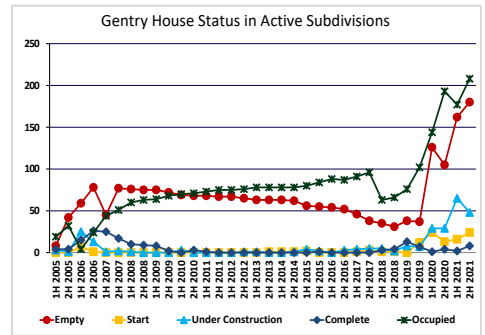
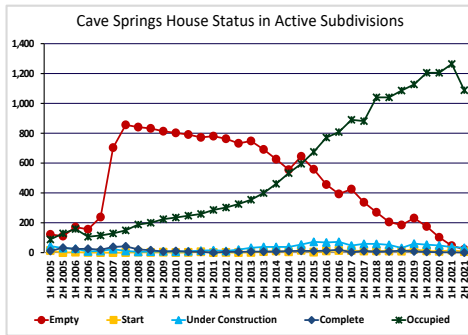
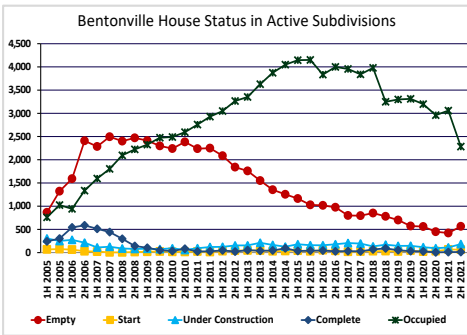
Building Permits and Subdivision Status



Benton and Washington Yearly Average Building Permits	1H 2021 Number	2H 2021 Number	1H 2021 Average Value	2H 2021 Average Value
Bella Vista	316	267	\$285,079	\$321,025
Bentonville	189	266	\$361,038	\$369,933
Cave Springs	51	14	\$254,231	\$366,964
Centerton	245	355	\$299,730	\$284,730
Decatur	2	9	\$146,500	\$168,824
Elkins	3	9	\$210,672	\$229,155
Elm Springs	43	23	\$311,773	\$366,505
Farmington	191	236	\$261,848	\$263,581
Fayetteville	465	241	\$263,797	\$295,558
Gentry	76	106	\$138,888	\$118,825
Goshen	16	12	\$494,960	\$493,490
Gravette	8	17	\$235,620	\$329,028
Greenland	0	1	--	\$462,000
Highfill	68	66	\$257,350	\$248,182
Huntsville	50	30	\$161,267	\$186,445
Johnson	7	12	\$555,739	\$717,491
Lincoln	14	4	\$143,526	\$143,375
Little Flock	10	3	\$483,743	\$355,032
Lowell	258	108	\$246,647	\$227,954
Pea Ridge	147	126	\$246,539	\$267,923
Prairie Grove	39	24	\$209,201	\$191,556
Rogers	206	162	\$365,581	\$394,257
Siloam Springs	144	40	\$109,611	\$126,088
Springdale	97	128	\$354,210	\$317,664
Tontitown	105	230	\$288,103	\$248,620
West Fork	4	1	\$149,750	\$175,000
NWA	2,754	2,490	\$273,321	\$290,152

Regional Market Trends

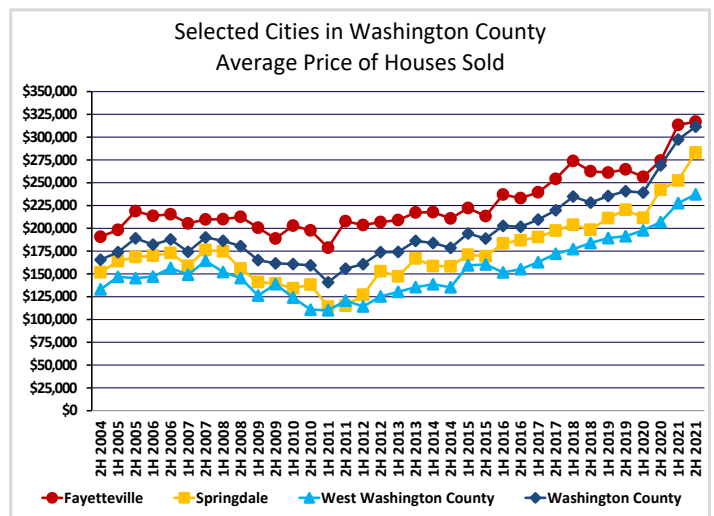
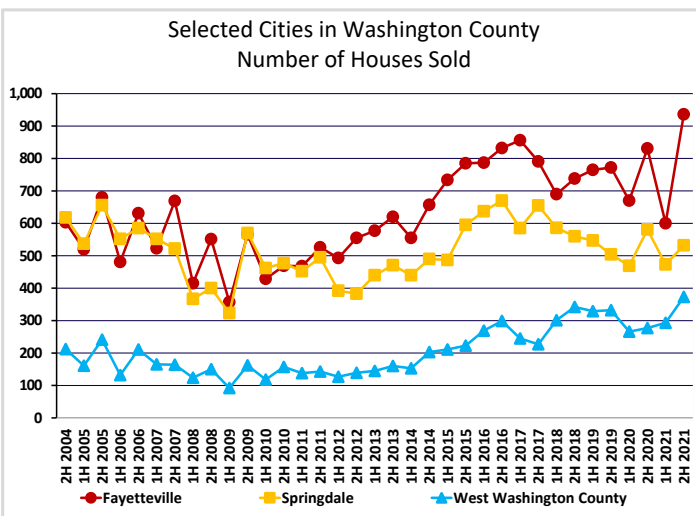
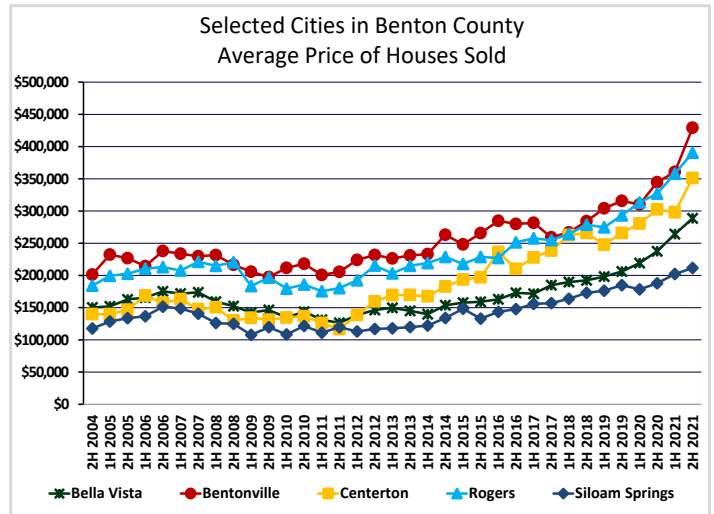
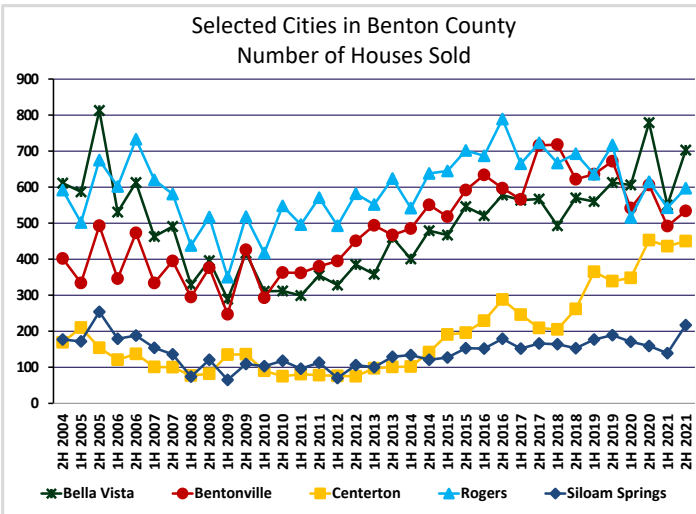
Active Subdivisions



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 Second Half 2021

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Real Estate Summary For Benton and Washington Counties

This report is the forty-fifth 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 Second Half of 2021

The vacancy rate for all multifamily properties in Northwest Arkansas decreased to 3.0 percent in the second half of 2021 from 3.4 percent in the first half of 2021. The rate was 5.0 percent in the second half of 2020.

The Fayetteville vacancy rate increased to 3.4 percent in the second half of 2021 from 3.3 percent in the first half of 2021. More than 3,500 additional rental units (14.9 percent of current inventory) have been announced or are under construction in new multifamily projects in Fayetteville.

In Bentonville, vacancy rates decreased to 3.0 percent in the second half of 2021 from 4.4 percent in the first half of 2021. There are also more than 4,100 rental units (47.6 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 4.0 percent in the second half of 2021 from 4.7 percent in the first half of 2021. More than 4,600 additional rental units (66.8 percent of current inventory) have been announced or are under construction in the Rogers submarket.

Siloam Springs vacancy increased to 0.8 percent in the second half of 2021, from 0.6 percent in the first half of 2021, still remaining the lowest in Northwest Arkansas. Over 200 additional rental units (18.5 percent of current inventory) have been announced or are under construction in the Siloam Springs submarket.

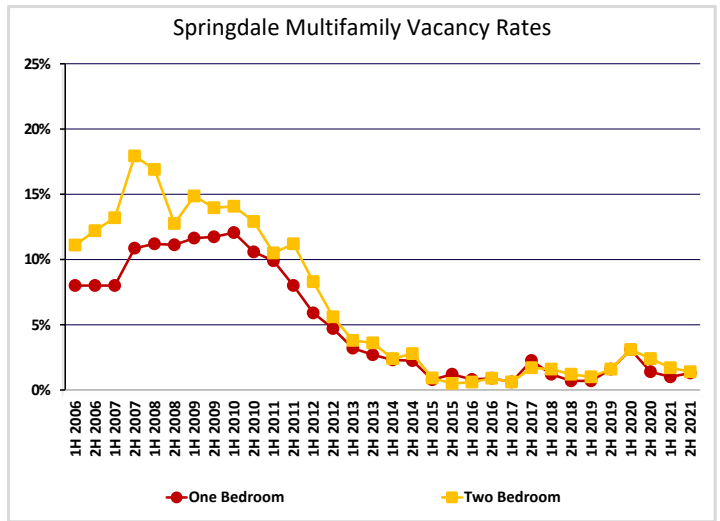
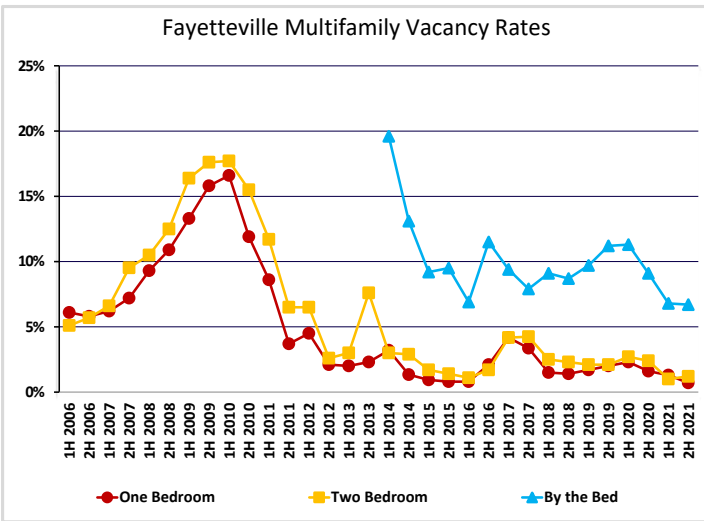
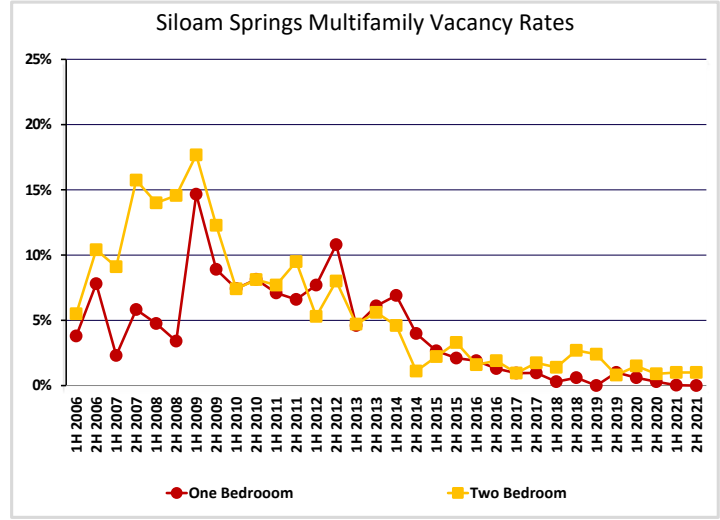
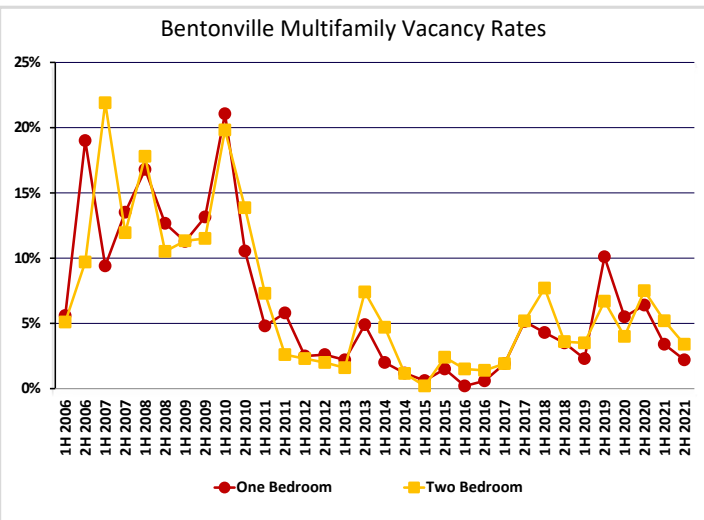
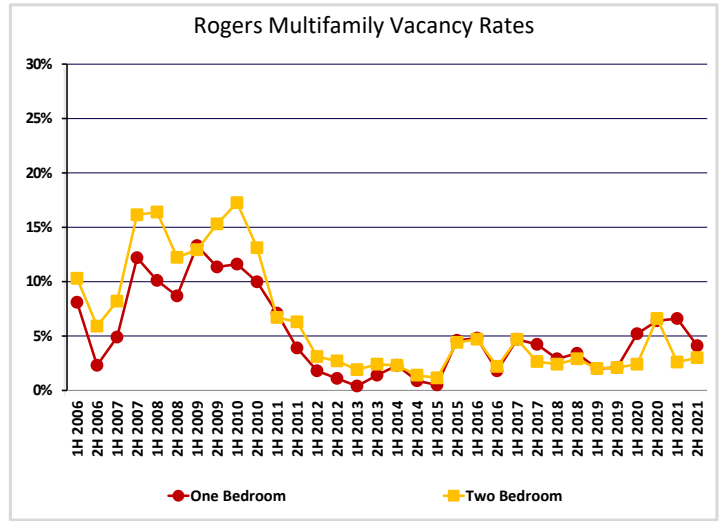
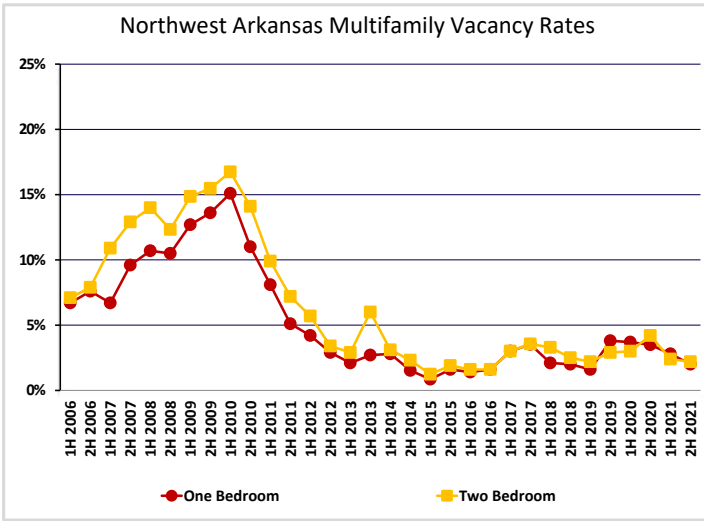
In Springdale, the vacancy rate decreased to 1.3 percent in the second half of 2021 from 2.0 percent in the first half of 2021. Over 1,500 new rental units (19.3 percent of current inventory) have been announced or are under construction in multifamily projects in the Springdale and Tontitown area.

In the second half of 2021, the average lease rate per month for a multifamily property unit in Northwest Arkansas increased to \$789.06, from \$768.48 in the first half of 2021.

\$216.9 million of multifamily building permits were issued in the second half of 2021, up from \$204.5 million in the first half of 2021.

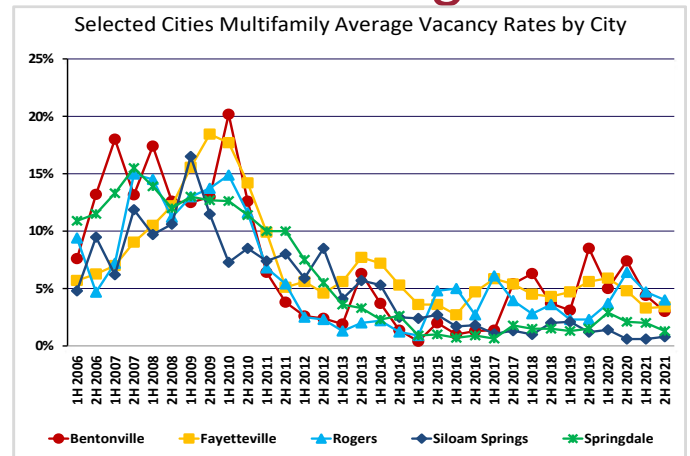
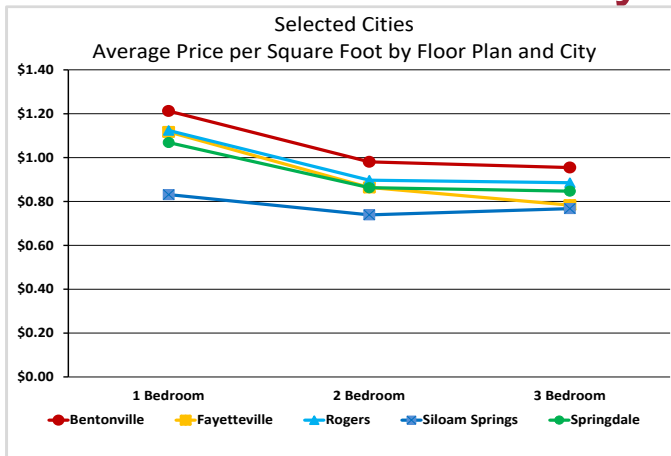
Regional Market Trends

Multifamily Vacancy Rates



Regional Market Trends

Multifamily Rates and Building Permits



Below are the 2H 2021 multifamily building permits for Bentonville, Fayetteville, Rogers, Siloam Springs and Springdale.

Multifamily Building Permits	Complex or Developer	Number of New Permits	Total Value of Permits	City
4/7/2021	G at Market	1	\$10,916,592	Bentonville
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
3/1/2021	Razorback Townhomes	16	\$3,226,441	Fayetteville
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
1/12/2021	Everest Townhomes	39	\$6,599,164	Rogers
3/2/2021	Rogers Apartments	12	\$1,956,612	Rogers
3/24/2021	Hudson Townhomes	34	\$6,033,572	Rogers
4/21/2021	Denali Townhomes	21	\$3,614,456	Rogers
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
1/8/2021	Endura Park	13	\$10,220,880	Siloam Springs
3/11/2021	Pure Springdale	16	\$22,148,444	Springdale
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
Northwest Arkansas	28	286	\$216,925,623	

Regional Market Trends

Multifamily Sample Data

Sample Vacancy Rates	Number of Apartment Complexes	Number of Units	2H 2021 Vacancy Rate	1H 2021 Vacancy Rate	2H 2020 Vacancy Rate
Bentonville	144	8,630	3.0%	4.4%	7.4%
Fayetteville	363	23,984	3.4%	3.3%	4.8%
Rogers	116	6,941	4.0%	4.7%	6.4%
Siloam Springs	52	1,192	0.8%	0.6%	0.6%
Springdale	121	8,046	1.3%	2.0%	2.1%
NWA	796	48,793	3.0%	3.4%	5.0%

Average Unit Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	558	\$796.39	\$1.43
By the Bed	418	\$643.19	\$1.54
1 Bedroom	647	\$728.83	\$1.13
2 Bedroom	947	\$847.02	\$0.89
3 Bedroom	1272	\$1,075.48	\$0.85
4 Bedroom	1781	\$1,195.25	\$0.67
NWA	777	\$789.06	\$1.02

Median Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	479	\$627.50	\$1.31
By the Bed	408	\$640.00	\$1.57
1 Bedroom	612	\$600.00	\$0.98
2 Bedroom	900	\$750.00	\$0.83
3 Bedroom	1322	\$945.00	\$0.71
4 Bedroom	1500	\$1,250.00	\$0.83
NWA	830	\$725.00	\$0.87

Vacancy Rates by Floor Plan	By the Bedroom	One Bedroom	Two Bedroom	Three Bedroom
Bentonville	0.0%	2.2%	3.4%	2.2%
Fayetteville	6.7%	0.7%	1.2%	2.7%
Rogers	0.0%	4.1%	3.0%	3.8%
Siloam Springs	0.0%	0.0%	1.0%	2.2%
Springdale	0.0%	1.3%	1.4%	1.0%
NWA	6.7%	2.0%	2.2%	2.2%

