

2003 ANNUAL URBAN DEVELOPMENT REPORT



LITTLE ROCK
PLANNING & DEVELOPMENT

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January 20, 2004

Dear Citizen,

Much of the 2003 work program was completed within the fiscal year. While we along with the rest of America traversed difficult times, we have not lost focus of our goal – preserving the quality of life that initially attracted us, our neighbors and the existing businesses to the community that we continue to call home. We continue efforts to bring the City operations closer to the people of the community in hopes for better understanding and involvement.

The Buildings Codes Division collected over \$2,500,000 in fees, including permit fees, licenses and other miscellaneous charges and performed over 20,000 inspections. The Division continues to review plan applications on commercial buildings within five days and provides same-day review on residential applications. The division provides same-day inspections of all requested inspections prior to 9:00 a.m.

The Planning Division continues to assist neighborhoods with the development of Neighborhood Action Plans. This planning process allows for neighborhoods to define a common direction, based on the shared vision of the participants and is articulated in concise statements by the residents of the neighborhoods involved. Presently there are twenty-one action plans completed.

The Zoning Division acts as a resource agency for developers, realtors and other citizens when presented with requests for current zoning, plat status, development standards or statistical information. The Division continues to administer the scenic corridor provisions for billboards along with sign permits and renewals. During the previous year fee revenue collected for sign permits and sign renewal permits totaled \$50,790.

Contained in this Annual Report are not only the accomplishments and achievements from the previous year for the Department, but information on development and development trends for the City of Little Rock. Please review this report and join us in efforts to further improve Little Rock in 2004.

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Zoning and Subdivision Division

Zoning and Subdivision Regulations are the principal tools employed by the City of Little Rock in guiding the city objectives and plans to specify goals. They assure compatibility of uses while directing the placement of infrastructure and public services.

Platting, rezoning and site development ordinances are administered by this Division. Additionally, use permits, variances and enforcement are dealt with daily.

The Division also acts as a resource agency for developers, realtors and other citizens when presented with requests for current zoning, plat status, development standards or statistical information.

Limited involvement in maintaining a neighborhood contact list for purposes of monitoring development activities has been continued by the division. The list is monitored for updates and expansions, within a computer master list. This record offers several notice formats for contacts.

This Division has encouraged local developers to provide early contact with staff to assure that development proposals are filed in a timely manner, and with involvement of interested persons or organizations.

Staff from the Division continues their involvement in neighborhood meetings with developers and area residents. These meetings are held in the neighborhood normally during the evening hours to facilitate attendance by interested neighbors. These meetings usually concern an active application for development.

Annual Ordinance Review

A primary function of this Division is to assure complete, accurate and up-to-date land development codes for use by the public at all levels of involvement. During 2002 and 2003 staff worked with the Plans Committee of the Planning Commission on a review of proposed changes to the Zoning Ordinance. There were 30 changes proposed. This process was completed in late 2003 and included the annual ordinance review package as well as specific amendments to the PZD process and other sections.

2003 Sign Code Statistics

During 2003, the Division worked to process sign renewals (5 year interval for all signs). Sign permits (including renewals) brought in \$50,790 in fees for the year. In addition, the Division administered the scenic corridor provisions on billboards.

863	Sign Permits Issued
216	Sign Permit Renewals
4582	Sign Inspections and Re-inspections

In 2004, the Division will continue to monitor and enforce the Sign Ordinance. The staff anticipates no significant changes in the coming year.

Zoning and Subdivision Division

Commercial Plan Review

The Division provides for a detailed review of all commercial permits for purposes of assuring that all developments comply with Zoning, Subdivision and Landscape Ordinance standards.

Additionally, reviews of the landscape and buffer requirements for developments going before the Planning Commission are provided. These reviews not only aid the City Beautiful Commission in its efforts to create a more livable city, but assist in providing a five (5) day “turnaround” on all commercial building permits.

2003 Plans Review for Zoning, Subdivision and Landscape Requirements

244 Commercial Plans/New or Additions

282 Commercial Landscape Plans

2003 Other Activities

14 Franchise Request

733 Site Inspections

98 Certificates of Occupancy

19 Temporary Structure Permits

Enforcement

The Division performs a key role in maintaining the effect and values of land use regulation by enforcing the Zoning, Subdivision and Landscape Ordinances. Over 3,000 inspections and re-inspections were performed.

2003 Plan Reviews for Permits

1215 Residential Plans – New or Additions

2003 Privileges Licenses

3057 Retail, Commercial, Office, Industrial and Home Occupation Reviews

2003 Information Inquiries

4,900 Request for Sign, Zoning, Enforcement or Licenses

2003 Court Cases

79 Cases – All Types

2003 Citations Issued

9 Cases – All Types

Wireless Communication Facilities

The Division continued to administer Article 12 of the City Ordinances, passed January 1998, which regulates wireless communication facilities. During 2003, 16 locations were approved administratively and 8 by the Planning Commission or Board of Directors. Staff shall continue to encourage collocation of WCF facilities.

Zoning and Subdivision Division

Zoning Site Plan

Zoning Site Plan review is a development review process that provides for case-by-case consideration of project particulars involving site development plans within certain zoning districts in the City of Little Rock. Plans for all such developments are submitted to and reviewed by the Division and the Little Rock Planning Commission. During 2003, the Division and the Planning Commission reviewed three zoning site plans, two of which were approved by the Planning Commission.

Subdivision Site Plans

Subdivision Site Plan review is a development review process that provides for case by case consideration of project particulars involving multiple building site plans. Plans for all such developments are submitted to and reviewed by the Division and the Little Rock Planning Commission. During 2003, the Division and the Planning Commission reviewed 19 Subdivision Site Plans, with all of the plans being approved by the Planning Commission.

Conditional Use Permits

Divisional staff provides support and analysis for the Planning Commission's review of Conditional Use Permit applications. Conditional uses are specifically listed uses within the various zoning districts, which may be approved by the Planning Commission. Such uses are subject to special conditions as determined by the Commission. In 2003, the Commission reviewed 90 Conditional Use Permit applications. Of these, the Commission approved 72 applications.

Board of Zoning Adjustment

Staff support and analysis for the Board of Zoning Adjustment is provided by divisional Staff. The Little Rock Ordinance provides a multitude of specific requirements which, when applied to certain developments or in individual instances, may create hardship. In those instances, the Board of Adjustment is empowered to grant relief. The Board hears appeals from the decision of the administrative officers in respect to the enforcement and application of the Zoning Ordinance. In addition, the Board is responsible for hearing requests for variances from the literal provisions of the Zoning Ordinance. The Board consists of five (5) members appointed by the Board of Directors to a term of three (3) years. The Board meets one (1) time each month, typically the last Monday of the month. In 2003, the Board heard a total of 143 cases: 132 variance requests, 5 time extensions and 6 appeals. Of the 132 variance requests, 120 were approved.

City Beautiful Commission

The Zoning and Subdivision Division provides staff support and analysis for the City Beautiful Commission. This nine member commission is responsible for the establishment and maintenance of plans to ensure a high level of visual aesthetic quality. The goal of the commission is to raise the level of the community expectations for the quality of its environment. The commission also hears and decides appeals from enforcement of the various provisions of the City's Landscape Ordinance. The Commission heard nine such appeal cases in 2003.

Zoning and Subdivision Division

Rezoning, Special Use Permits and Right-of-Way Abandonments

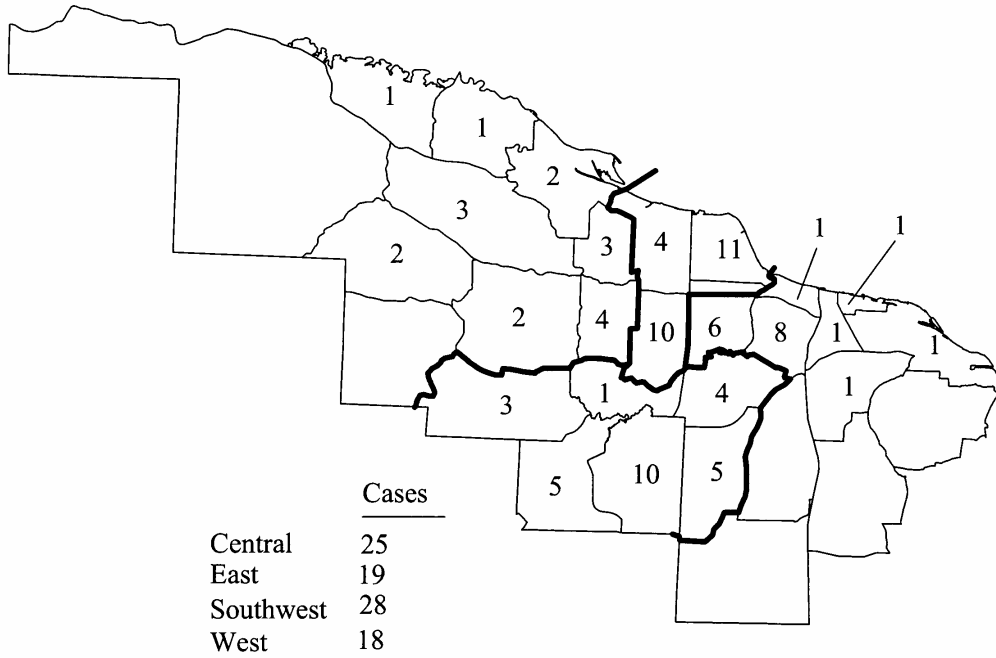
Divisional Staff provides support and analysis for the Planning Commission's review of rezoning and special use permit requests and proposed right-of-way abandonment requests. In 2003, the Planning Commission reviewed 33 rezoning requests, 23 special use permit requests and 10 proposed right-of-way abandonment requests.

Preliminary and Final Plats

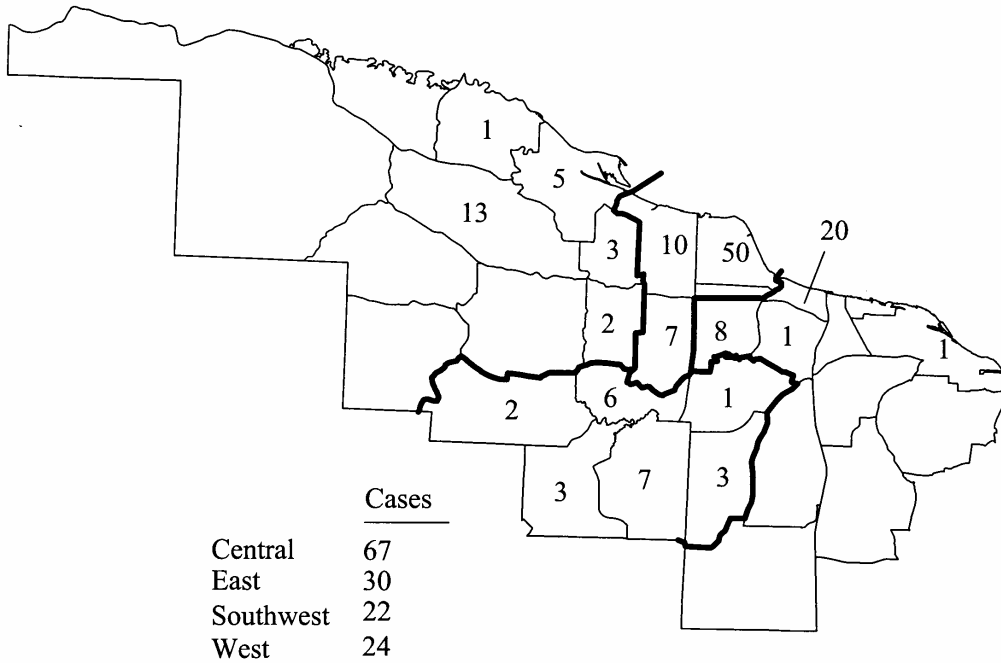
Divisional Staff, in conjunction with the Planning Commission, administers Chapter 31 of the Code of Ordinances, the Subdivision Ordinance. Staff provides review and analysis of proposed preliminary plats and administers the approval of final plats. In 2003, Staff reviewed 32 preliminary plats and 86 final plats.

Zoning and Subdivision Division

Conditional Use Permits



Board of Adjustment Cases



Building Codes Division

The Building Codes Division issues construction related permits and provides plan review and inspection services with regard to building, plumbing, electrical and mechanical construction in the city. The primary goal of the Division is to protect the public health and safety through the administration and enforcement of these codes. Within the Building Codes Division there are six sections. The Building Inspection Section, Electrical Inspection Section, Permit Section, Plan Review Section, Plumbing and Gas Inspection Section and Mechanical Inspection Section.

Code Compliance

Building				
	2003	2002	2001	2000
Permits Issued	4,432	4,561	4,384	4,458
Inspections	5,462	5,572	5,500	5,930
Violations	1,083	1,005	1,175	1,164
Fees	\$1,034,294	\$1,044,848	\$747,698	\$956,480
Plumbing				
	2003	2002	2001	2000
Permits Issued	3,692	3,443	3,058	2,834
Inspections	6,322	5,823	5,072	4,419
Violations	930	867	681	562
Fees	\$358,360	\$307,173	\$240,635	\$246,758
Electrical				
	2003	2002	2001	2000
Permits Issued	2,972	2,834	3,067	3,008
Inspections	6,851	6,147	7,185	7,489
Violations	1,211	1,044	861	736
Fees	\$389,049	\$315,153	\$276,910	\$307,002
Mechanical				
	2003	2002	2001	2000
Permits Issued	1,690	1,534	1,419	1,595
Inspections	3,460	2,997	3,547	2,356
Violations	536	501	515	364
Fees	\$347,904	\$266,909	\$186,173	\$187,049

Building Inspection

The Building Inspection Section is responsible for the inspection of all permitted commercial and residential construction jobs for code compliance through the full construction process, from foundation to the completion of construction. Inspections are also performed on dilapidated commercial structures and follow-up action is taken to have the structure repaired or removed. Inspectors in this section also answer complaints involving illegal and unpermitted building

Building Codes Division

projects. This section is responsible for review of building codes and proposes any changes and additions to keep “up-to-date”.

Electrical Inspection

The Electrical Inspection Section is responsible for inspection of permitted projects for code compliance. This section reviews all new electrical construction as well as electrical repairs. This section also reviews electrical drawings involving commercial buildings and outdoor electrical signs. Inspectors handle complaints involving illegal and unpermitted work and check electrical contractors’ licenses and update the city electrical codes.

Plumbing and Gas Inspection

The Plumbing and Gas Inspection Section reviews all permitted plumbing and natural gas projects for code compliance. The City of Little Rock also has jurisdiction over such work outside the city limits (if connecting to the city water supply). Inspections include water meter, yard sprinklers, installations involving plumbing and natural gas. Inspectors in this section also handle complaints involving illegal and unpermitted projects. Inspectors review plumbing contractors’ licenses and privilege licenses. Plumbing construction drawings are reviewed for proposed commercial projects and this section also proposes changes and additions to the plumbing codes as necessary.

Mechanical Inspection

The Mechanical Inspection Section is responsible for inspection of permitted projects for code compliance. These inspections include all heating and air installations. Inspectors in this section also handle complaints involving illegal and unpermitted projects and check contractors for proper licensing. Mechanical construction drawings are reviewed for proposed commercial projects and this section also proposes changes and additions to the mechanical codes as necessary.

Plan Review Section

The Plan Review Section is responsible for the review of all proposed commercial building plans for code compliance. This review involves all phases of building from foundation to structural, electrical, plumbing and mechanical and qualifies all requirements of Wastewater, Water Works, Civil Engineering, Traffic Engineering, Fire and Landscaping code requirements. This section works closely with other city agencies as well as contractors, architects and developers.

Permit Section

All construction permits involving building, electrical, plumbing, and mechanical work are issued in this section as well as permits for garages and tents. Records and building plans are maintained on all jobs for which permits have been issued. The permit section also maintains all other general records of the Division.

Building Codes Division

Building Codes Highlights

During 2003 the Building Codes Division collected over \$2,500,000 in fees including permits, licenses and other miscellaneous charges and performed over 20,000 inspections. Ten major unsafe structures were demolished. All information brochures on commercial construction permitting, plumbing, mechanical, and electrical procedures were updated and made available to the public as well as two issues of the *Codes Roundup*.

All inspection personnel attended some type of training seminar during the year and several members were nominated to policy level positions within their respective organizations. Mark Whitaker was selected to serve on several key committees with national code organizations and also served on the Arkansas State Building Code Adoption draft committee. Jerry Spence was elected president of the International Association of Electrical Inspectors, Western Section. The City was also awarded host for the International Association of Electrical Inspectors Conference in 2005. The Division also celebrated National Building Safety and Customer Appreciation week during April.

A program, which provides for an increased flow of information and communication between the Division and the Arkansas General Contractors Association and The Home Builders Association of Greater Little Rock has produced good results.

The debit system for contractors has been a great success and allows contractors to obtain permits via fax or mail. This service allows the contractor the convenience of not having to come to the office to purchase permits and decreases downtime and saves money.

The Division has also purchased new permitting software and hardware, which will be implemented in 2004, which will provide more timely and better service to citizens and contractors.

During 2003, the Little Rock Fire District boundaries were redrawn as a result of technical advances in material and building applications. Also the Construction Hours Ordinance was rewritten and updated.

The Building Codes Division has had great success with the following programs and plans to upgrade and enhance them for better service.

- All inspectors are equipped with radios and cell phones for faster service.
- We provide quick response to all complaints.
- Five-day plan reviews insure prompt attention to commercial building applications.
- Same-day review is given to residential applications.
- Same-day inspections are made on all inspection requests made before 9:00 a.m.

	2003	2002	2001	2000	1999	1998
Building Plans Reviewed	1366	1533	1536	1773	1661	1606
Construction B.O.A.	0	1	1	1	1	4
Electrical Exams	21	54	11	21	7	11
Franchise Permits	34	22	26	28	20	12

Building Codes Division

Major Jobs Reviewed, Permitted or Inspected in 2003

Projects of significant importance to the community involving new construction, additions or renovations include:

Churches

Dixie Church of Christ
Agape Community Temple
Calvary Baptist
Otter Creek Assembly
Village Creek Baptist
Oak Park Baptist
Parkway Baptist
Pulaski Heights Methodist

Educational

Pulaski Heights
JA Fair High
McCellon High
Williams Elementary
Forest Park Elementary
Otter Creek Elementary
Lutheran High
Central High
LR Christian Academy
Dunbar Middle
Wakefield Elementary
Eastern College
Remington College
Brady Elementary
Parkview High

Institutional

Arkansas Children's Hospital
Hospice Arkansas

Residential

Chapel Ridge Apartments
Charlotte Apartments
Stonebridge Apartments
Cedars of Wellington

Mercantile

Dogwood Crossing
Alps Grocery
Kroger
USA Drug
Kohls
Dollar Store
AutoZone
Wal-Mart
Home Depot

Business

Bancorp South
Twin City Bank (3)
Regions Bank
Heifer International
Winrock International
Arkansas Neuro Spine Center
Arkansas Democrat Gazette
Central Arkansas Library
Colonel Glenn Plaza

Restaurants

McDonalds
Sonic
Wendy's
On the Border
Krispy Kreme

Factory-Storage

Dassault Falcon Jet
Vinyl Building Products
Moon Distributors
Affiliated Foods

Planning Division

The Planning Division provides mid and long range planning as well as technical support to the City. The Division prepares neighborhood plans and reviews draft amendments to the existing plans. This includes reviewing reclassification requests and development of staff reports for Land Use Plan amendments requested by various groups.

The staff of the Planning Division responds to requests for statistics, graphics, and GIS products. This Annual Report is one example of the products produced by the division. The division monitors the Website for updates and assists with all computer needs of the department. In addition, at the request of the Board of Directors and/or the Planning Commission the division staff may work on special studies. A few of the major work efforts from 2003 are described below.

Neighborhood Plans

The Planning Division has continued the Neighborhood Plan process with the completion of the Heights and Birchwood-Walnut Valley Neighborhoods Plan. This brings to twenty-one the number of Neighborhood Plans completed. The plan update for Rock Creek Neighborhoods was completed.

Special Planning Efforts

The Division Planners worked on several special efforts. The East of I-30 effort continued with major changes approved in the City Land Use Plan and Master Street Plan. Further implementation of the East of I-30 Study was completed with the reclassification of several blocks around the Heifer and Presidential Park sites to Urban Use zoning and development of an Overlay for the areas surrounding these two major new developments. The Planning Commission and Board of Directors approved these changes and additions in December 2003.

Staff continued to work with citizens on the 'Midtown Redevelopment' effort. Recommendations on governance for the Midtown Redevelopment District No.1 were developed, as was a Design Overlay District for the area around University Avenue and Markham. The Board of Directors approved these recommendations in December 2003. Finally the staff began work with Audubon Arkansas and others on a possible Overlay District in the Granite Mountain area. The area was zoned and requests for non-residential zoning were considered.

GIS & Graphics Activities

GIS continues to be the source of sketch and base maps as well as statistics for neighborhood plans and special studies. Maintenance of data related to future land use, zoning and structure changes (addition or removal) continues. GIS has become a support function of the division for both graphics and statistical reports with use of Arcview software.

The graphics section continues to maintain the Zoning Base Maps and provide graphic support for the department and other agencies. The graphics section produced brochures, sketch maps, business cards, graphics for special studies and neighborhood plans. The graphics staff also performs GIS maintenance.

Planning Division

Review of Land Use Plan Issues

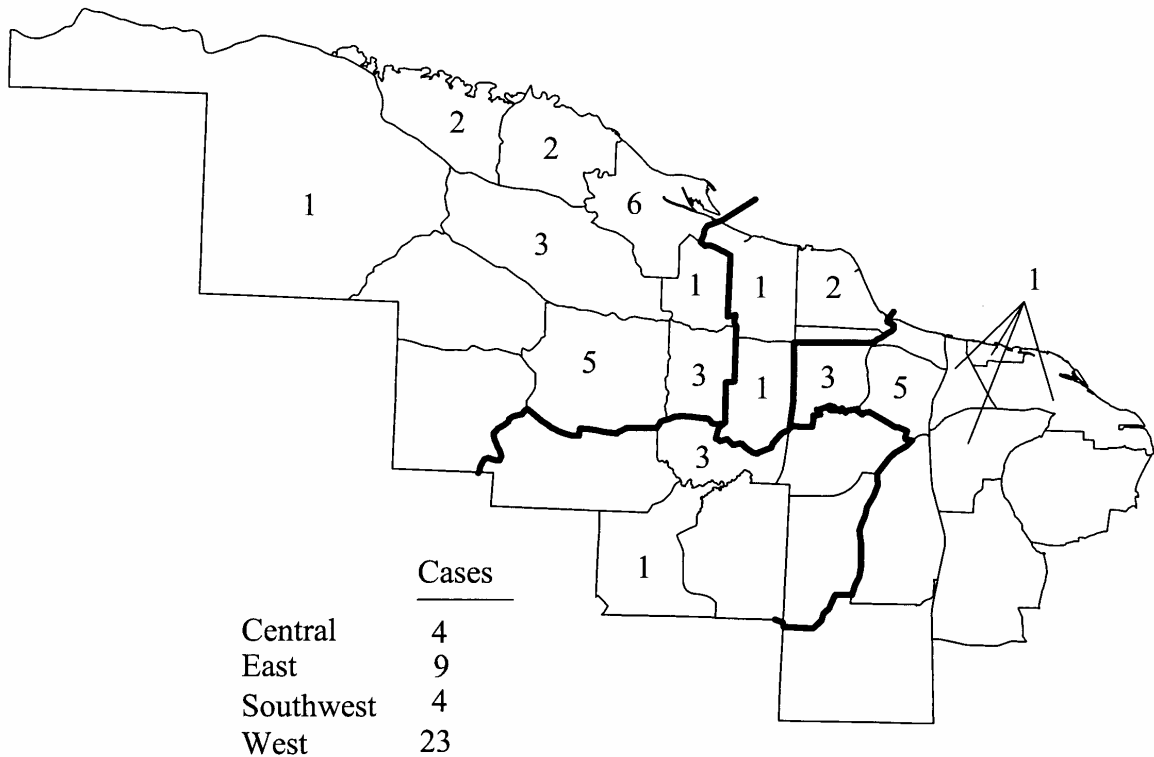
The Planning staff reviews all rezoning (including PZD) requests for conformance with the adopted Land Use Plan and any Neighborhood Plan in effect for the area. If non-conformance with the Land Use Plan is discovered, a Plan amendment for the area is developed and processed. For all cases a written review of both the Land Use Plan and any Neighborhood Plan is prepared. In those cases where an amendment is determined to be necessary a full staff report (conditions, changes, recommendations) is generated.

Planning staff reviewed 40 requests for Plan changes in 2003. Of these, the Planning Commission forwarded eighteen to the Board of Directors.

Other Activities

The division supports the River Market Design Review Committee. As part of that effort 14 requests for reviews by the committee were handled. A review of the Overlay ordinance was completed and presented to the Board of Directors for approval.

Future Land Use Plan Amendments



2003

**Urban
Development
Report
Data**

Urban Development Report

This Urban Development Report is designed to describe and monitor growth and present a comprehensive overview of significant demographic, economic and development conditions, which exist in the City of Little Rock during the 2003 reporting period.

Sources of the data are the official records of the Department of Planning and Development, MetroPlan and *Arkansas Business*. Building permits were used to quantify the numbers, locations and magnitude of the various residential and nonresidential developments. The data reflected by building permits is only the authorization for construction and the possibility exists that a small number of construction projects were not initiated before the end of 2003.

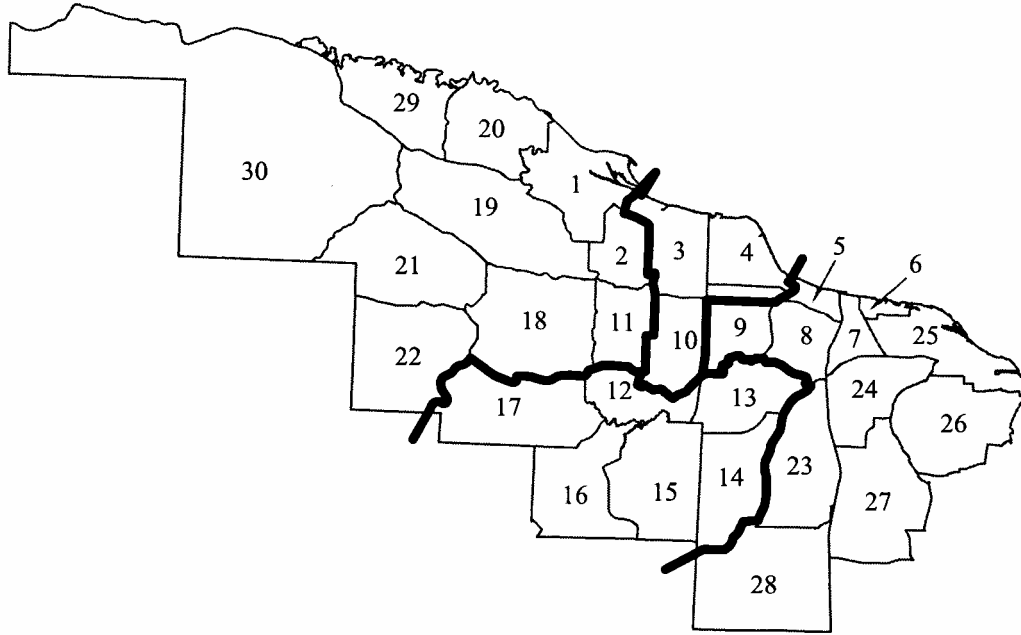
Thirty Planning Districts have been designated for both land use and statistical purposes. The districts follow physical features and include not only the area within the corporate limits but also area beyond. For reporting purposes four sub-areas have been designated. Both the Planning Districts and sub-areas form the framework for presentation of data in this report.

The preceding map indicates the area of each Planning District while the following chart provides the Planning District names and corresponding sub-area.

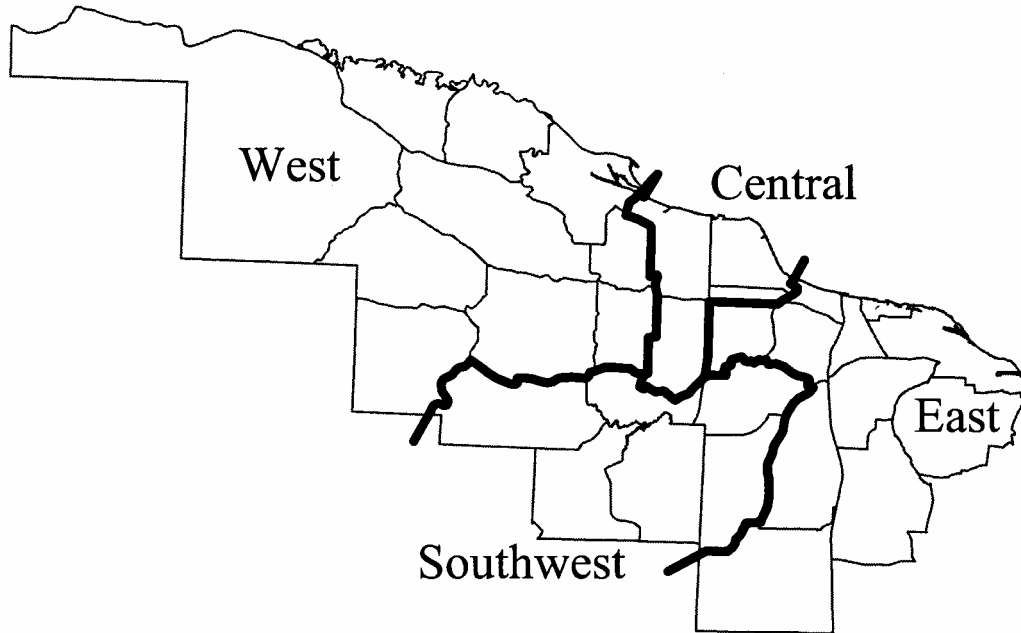
	Planning District	Sub - Area
1	River Mountain	West
2	Rodney Parham	West
3	West Little Rock	Central
4	Height/Hillcrest	Central
5	Downtown	East
6	East Little Rock	East
7	I-30	East
8	Central City	East
9	I-630	East/Central
10	Boyle Park	Central
11	I-430	West
12	65 th Street West	Southwest
13	65 th Street East	Southwest
14	Geyer Springs East	Southwest
15	Geyer Springs West	Southwest
16	Otter Creek	Southwest
17	Crystal Valley	Southwest
18	Ellis Mountain	West
19	Chenal	West
20	Pinnacle	West
21	Burlingame Valley	West
22	West Fourche	West
23	Arch Street Pike	East
24	College Station	East
25	Port	East
26	Port South	East
27	Fish Creek	East
28	Arch Street South	East
29	Barrett	West
30	Buzzard Mountain	West

Urban Development Report

Planning Districts



Sub - Areas



Development Activity Summary

Population Estimate

185,835 persons 2003 population estimate

New Construction

821 permits; up 25.5% from 654 in 2002

Single-Family Housing

729 units; up 25.5% from 581 units in 2002
\$242,125 avg.; up 3.2% from \$234,075 in 2002

Multi-Family Housing

436 units; up 83.2% from 238 units in 2002

Residential Renovations/Additions

918 permits; up 14% from 805 in 2002
\$25,640,178 construction dollars; up 47.7% from \$17,354,068 in 2002

Demolitions

96 residential units; up 3.2% from 93 in 2002

Office

384,965 square feet; up 285.9% from 99,759 in 2002
\$35,711,284 construction dollars; up 287% from \$9,229,585 in 2002

Commercial

962,519 square feet; up 315% from 231,895 in 2002
\$35,555,179 construction dollars; up 97.7% from \$17,981,631 in 2002

Industrial

138,255 square feet; down 8.0% from 150,235 in 2002
\$10,650,090 construction dollars; up 67.6% from \$6,353,680 in 2002

Annexations

One annexation of 2.77 acres, compared to one annexation totaling 5.34 acres in 2002

Preliminary Plats

1183 residential lots; up 67.6 % from 706 lots in 2002
624.18 total acres; up 19.5 % from 522.36 acres in 2002

Final Plats

86 cases; up 22.8% from 70 cases in 2002
427.73 acres; down 3.8% from 444.74 acres in 2002

Rezoning

27 cases; up 145 % from 11 cases in 2002
343.14 acres; up 539 % from 53.7 acres in 2002

PZD's

70 cases; up 14.8 % from 61 cases in 2002
309.98 acres; up 10.5 % from 280.47 acres in 2002

Population Growth and Projections

The population change recorded by the Census has consistently been positive. During the latter part of the 1900s, annexations of already developed areas help inflate the numbers. This slowed in the 1990s to almost no population gained due to annexation. Thus the large growth shown for the 1960s, 1970s and 1980s is an over representation of the actual urban growth.

Little Rock Population		
Year	Population	Annual % change
1900	38,307	-
1910	45,941	19.93%
1920	65,142	41.79%
1930	81,679	25.39%
1940	88,039	7.79%
1950	102,213	16.10%
1960	107,813	5.48%
1970	132,483	22.88%
1980	159,024	20.03%
1990	175,795	10.55%
2000	183,133	4.17%
2001	183,923	0.43%
2002	184,354	0.23%
2003	185,835	0.80%

Little Rock continues to experience a slow growth rate. Most of the growth has been in the west and southwest parts of the City. The east, central and southwest sections of Little Rock experienced most of the population loss. Though it should be noted that there were some areas of growth in all sections of the City. There were even small areas of loss in the high growth areas. The trend for the first decade of the twenty-first century is a growth rate, which would result in less than 5% growth by 2010.

Construction Activity

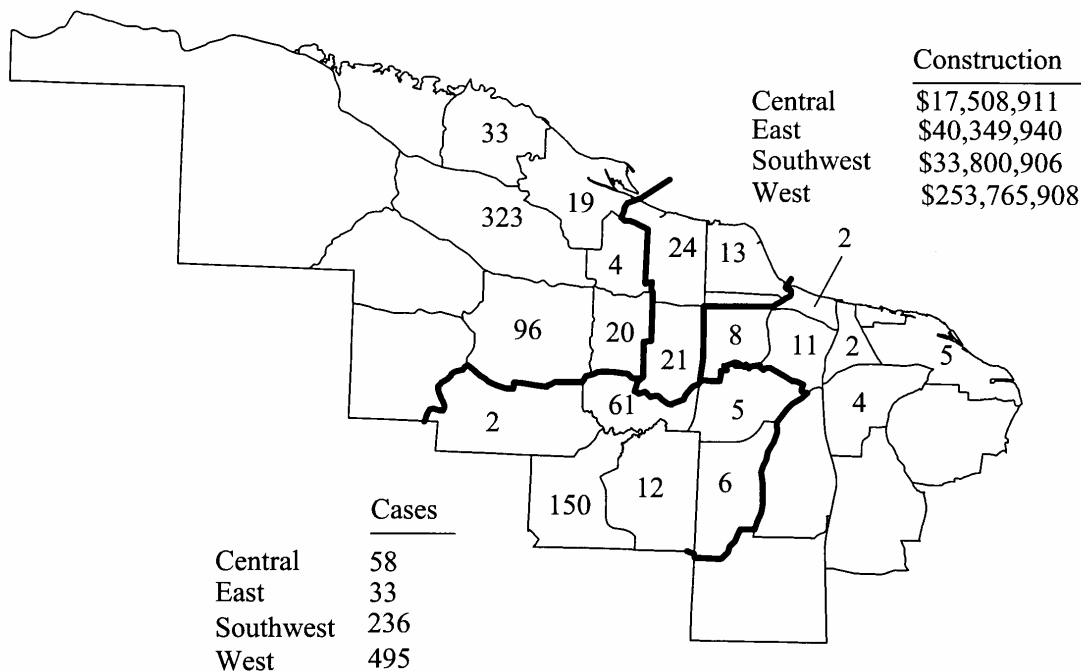
During 2003 the total number of new construction permits issued increased by 167 (25.5%) over the number of permits issued in 2002. In 2003 there were 821 permits issued for a total of \$345,425,665 construction dollars. While the number of industrial permits fell by 33 percent, the amount of area added only dropped 8 percent. There were 6 permits issued for a total of 138,255 square feet. The office activity had the largest increase 90 percent, 21 permits with the area added increasing 285.9 percent to 384,519 square feet. The square footage of commercial added had the greatest increase at 962,519 square feet or 315 percent, but only a 35 percent increase in the number of permits (27 permits).

New single-family unit construction increased by 25.5% (148 units) from 2002 construction permits issued. The total number added during 2003 was 729 units with an average construction cost of \$242,125. This is a 3.4% increase over 2002 average construction cost. During 2002 there were 581 permits issued for an average construction cost of \$234,075. For 2003 over 63% of the new housing starts were in the west sub-area. Three hundred seventeen permits (43.5%) were issued in the Chenal Planning District alone. Second to the Chenal Planning District is Otter Creek, in the southwest sub-area, with 150 permits or 20.5%.

Permits for Multifamily remained steady, falling 1 to 25 permits; however, the number of units permitted increased 83 %. During 2003, there were 25 permits issued (representing a scattering of duplexes, small unit buildings, and two apartment complexes) for a total of 436 units.

The map below graphically indicates the activity by Planning District within the sub-areas. The data included on the map includes new construction activities (accessory structures are not reflected in the preceding table). In addition, permits are not required for construction outside the city limits.

New Construction Activity



Construction Activity

Residential Construction Activity

Planning District	Single-Family		Multi-Family		Total Units
	Permits	Avg. Cost	Permits	Units	
1	14	\$359,675	1	4	18
2	3	\$237,767	0	0	3
3	21	\$203,367	0	0	21
4	8	\$307,250	1	4	12
5	0	\$0	0	0	0
6	0	\$0	0	0	0
7	0	\$0	0	0	0
8	6	\$101,533	1	134	140
9	5	\$74,820	1	11	16
10	12	\$73,794	2	17	29
11	12	\$98,700	0	0	12
12	60	\$132,055	0	0	60
13	4	\$104,888	0	0	4
14	4	\$100,233	0	0	4
15	10	\$108,253	0	0	10
16	130	\$138,369	13	122	252
17	1	\$217,000	0	0	1
18	85	\$215,960	6	144	229
19.1	195	\$378,178	0	0	195
19.2	122	\$249,010	0	0	122
20	32	\$286,430	0	0	32
21	0	\$0	0	0	0
22	0	\$0	0	0	0
23	0	\$0	0	0	0
24	4	\$81,288	0	0	4
25	1	\$134,100	0	0	1
26	0	\$0	0	0	0
	729	\$242,125	25	436	1165

Construction Activity

Non-Residential Construction Activity

Planning District	Commercial		Office		Industrial		PQP Permits
	Permits	Sq. ft.	Permits	Sq. ft.	Permits	Sq. Ft.	
1	0	0	3	9,944	0	0	1
2	0	0	1	3,600	0	0	0
3	2	4,028	0	0	0	0	1
4	2	16,000	1	24,636	0	0	1
5	1	200,000	1	223,275	0	0	0
6	0	0	0	0	0	0	0
7	0	0	1	6,749	1	28,000	0
8	3	43,659	0	0	0	0	1
9	0	0	0	0	0	0	2
10	6	198,456	1	3,588	0	0	0
11	4	33,572	2	53,634	0	0	2
12	0	0	0	0	0	0	1
13	1	7,200	0	0	0	0	0
14	1	3,975	1	4,000	0	0	0
15	1	140,331	1	3,700	0	0	0
16	2	4,832	2	8,361	1	5,100	2
17	0	0	1	8,680	0	0	0
18	1	90,000	4	19,898	0	0	0
19	1	210,488	3	14,900	0	0	2
20	1	9,978	0	0	0	0	0
21	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0
24	0	0	0	0	0	0	0
25	0	0	0	0	4	105,155	0
26	0	0	0	0	0	0	0
	26	962,519	22	384,965	6	138,255	13

Residential Activity

The number of single-family units permitted reached its highest level in over a decade with a 148 unit increase during 2003. There were 729 units permitted for a 25.5% increase in the number of single-family units added over 2002. Single-family unit construction continued its robust growth from 2002.

As in previous years, the majority of the new units added are in the west sub-area. The Chenal Planning District, generally south of Hinson Road/Taylor Loop Road, west of Napa Valley Drive/Mara Lynn Road and north of Chenal Parkway continues to have a majority of the single-family unit permits issued. For 2003, 43.5% of the permits issued were located in this area.

Of the permits issued in the Chenal Planning District, 195 units were located west of Rahling Road, and 122 units were permitted for the area east of Rahling Road. Over 26 percent of the permits were in the area from Cantrell Road to Rahling Road to Chenal Parkway to Denny Road.

The next most active planning district is the Otter Creek Planning District (20.5 percent), an area bounded by the McHenry/Fourche Creek to the north and east the city limits to the west and south. The Otter Creek, Wedgewood Creek and Westfield Subdivision continue to account for almost all the activity in this planning district. All three subdivisions are south of Baseline Road and west of Stagecoach Road.

Approximately eight percent of the new single-family construction permits were issued in the central and east sub-areas. The number of permits issued during 2003 increased by one from 56 to 57 units.

New multi-family unit construction was at moderate rate during 2003. The number of units permitted increased during 2003 from 238 units in 2002 to 436 units in 2003. These 436 units were issued as part of 25 permits. The dollar value of the permits actual increased by 38.5 percent while the number of units increased over 83 % or 198 units. Most of the permits were for two to six unit buildings, with two apartment complexes and one college dorm permitted.

Residential Activity

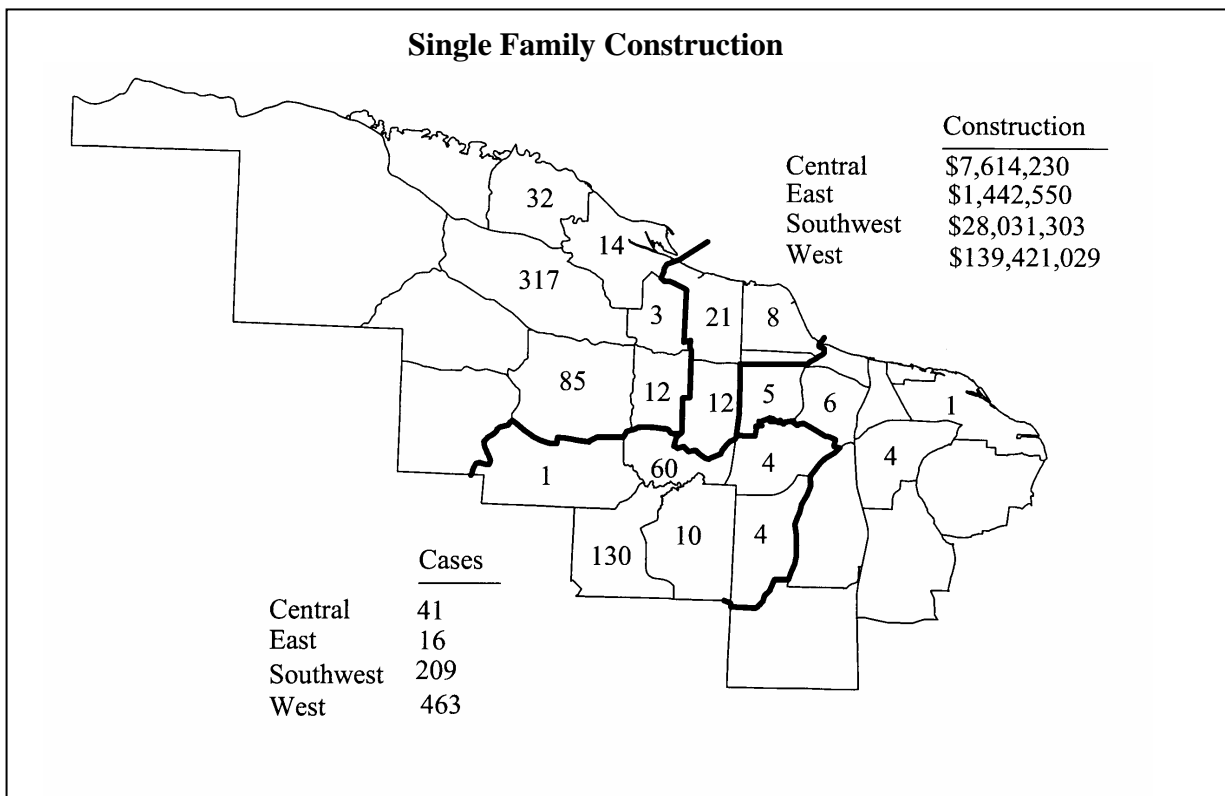
Single Family			
Year	Permit	Cost	Avg. Cost
1993	713	\$111,534,041	\$156,429
1994	579	\$100,658,783	\$173,849
1995	477	\$77,990,869	\$163,503
1996	482	\$78,089,899	\$162,012
1997	448	\$71,510,751	\$159,622
1998	495	\$89,757,916	\$181,329
1999	555	\$102,062,168	\$183,896
2000	468	\$92,378,933	\$197,391
2001	483	\$105,179,005	\$217,762
2002	581	\$136,231,640	\$234,075
2003	729	\$176,509,112	\$242,125

Multi-family			
Year	Permit	Units	Cost
1993	4	13	\$897,600
1994	11	26	\$2,155,001
1995	7	240	\$7,842,000
1996	7	191	\$7,031,180
1997	11	1240	\$41,462,210
1998	6	790	\$19,635,381
1999	44	537	\$20,309,000
2000	56	236	\$12,084,472
2001	36	95	\$13,081,744
2002	26	238	\$12,158,550
2003	25	436	\$16,841,397

Residential Activity

Single Family Units

	Sub-area			
	East	Central	S-west	West
2003 Permits	16	41	209	463
2002 Permits	24	32	156	369
2001 Permits	13	31	89	350
2000 Permits	13	31	78	346
1999 Permits	26	36	103	390
1998 Permits	19	34	78	364
	East	Central	S-west	West
2003 %	2.2%	5.6%	28.7%	63.5%
2002 %	4.1%	5.5%	26.8%	63.6%
2001 %	2.7%	6.4%	18.4%	72.5%
2000 %	2.8%	6.6%	16.7%	73.9%
1999 %	5.0%	6.0%	19.0%	70.0%
1998 %	4.0%	7.0%	15.0%	74.0%



Housing Construction Values

The average construction cost of a new single-family home increased by 2.9% or \$6896 over 2002. The average unit value in 2002 was \$234,075 and in 2003 the average value was \$242,125. Interest rates have continued at historic lows, which is making housing more affordable in real terms.

Housing values are represented below in five distribution categories: less than \$50,000, less than \$150,000, less than \$300,000, less than \$500,000 and \$500,000 and above. There were six units constructed below \$50,000, 203 units constructed in the range of \$50,000 to \$149,999, 357 units constructed in the range of \$150,000 to \$299,999, 135 units constructed in the range of \$300,000 to \$499,999 and 28 units above \$500,000.

During 2003, 71% of the single-family units constructed cost \$150,000 or more. The majority of these homes (83% or 431 homes) were built in the west sub-area of the city. The west sub-area has construction cost ranging from \$84,200 to \$2,700,000. The central sub-area, next highest, had a significantly lower construction cost range from \$30,600 to \$650,000. The east sub-area construction cost ranges from \$50,000 to \$188,650, and the southwest sub-area construction cost range from \$34,981 to \$243,000. Of the total dollars expended on construction of single-family units the west sub-area accounted for 79% (\$139,421,029) of the construction dollars and the southwest sub-area accounted for 15.9% (\$28,031,303) of all construction dollars expended. The central sub-area, 4.3% (\$7,614,230) and the east sub-area, 0.8% (\$1,442,550) completes the construction dollars expended for single-family construction for 2003.

Of the single-family units added citywide, 49% were valued between \$150,000 and \$300,000, 27.8% were valued between \$50,000 and \$150,000, 18.5% were valued between \$300,000 to \$500,000, 3.8% were valued above \$500,000 and 0.8% were valued below \$50,000. High-end construction for the most part is taking place in the Chenal (Chenal Ridge and Chenal Valley), Ellis Mountain, and Pinnacle Planning Districts. Of the units valued over \$300,000, 90% or 147 units, were permitted in one of these districts. While in these same districts, 9% or 19 units of the less than \$150,000 value units can be found.

The Central sub-area experienced the only decrease in the average value of single-family units (30% or \$79,618) constructed over 2002 permit values. The West sub-area had by far the greatest value in dollars, \$15,505. However as a percentage the West sub-area increase 5.4 %, while the east sub-area increased 7.4 % (\$6,206). The average constructive value for single-family housing in the West sub-area is double that in the Southwest and East sub-areas and almost 62% greater than that in the Central sub-area.

Sub-area	1997	1998	1999	2000	2001	2002	2003
West	\$174,429	\$199,519	\$203,664	\$216,225	\$243,844	\$285,620	\$301,125
Central	\$211,082	\$212,912	\$278,351	\$211,875	\$266,315	\$265,331	\$185,713
Southwest	\$111,304	\$109,361	\$107,852	\$107,394	\$121,220	\$130,317	\$134,121
East	\$58,080	\$25,632	\$73,606	\$99,405	\$80,352	\$83,953	\$90,159

Housing Construction Values

Construction Cost Single Family Homes

Planning District	\$500,000 & Greater	\$300,000 - \$499,999	\$150,000 - \$299,999	\$50,000 - \$149,999	Below \$50,000	Total
1	2	2	10	0	0	14
2	0	2	0	1	0	3
3	2	3	5	11	0	21
4	1	4	1	2	0	8
5	0	0	0	0	0	0
6	0	0	0	0	0	0
7	0	0	0	0	0	0
8	0	0	1	5	0	6
9	0	0	0	4	1	5
10	0	0	0	10	2	12
11	0	0	0	12	0	12
12	0	0	20	39	1	60
13	0	0	0	4	0	4
14	0	0	1	2	1	4
15	0	0	1	9	0	10
16	0	0	49	80	1	130
17	0	0	1	0	0	1
18	0	7	68	10	0	85
19.1	23	77	94	1	0	195
19.2	0	27	87	8	0	122
20	0	13	19	0	0	32
24	0	0	0	4	0	4
25	0	0	0	1	0	1
Total	28	135	357	203	6	729

Affordable Housing

When determining the ‘affordability’ of a new housing, land cost must be added to the figures provided in this report. All values represented in this report are construction costs only. The National Association of Home Builders, (NAHB) estimates the cost of land to be about twenty-five percent of the final cost of construction. The Housing and Neighborhood Programs Department of the City considers ‘affordable’ housing as having a maximum value of \$88,000. Thus, based on NAHB and the City assumptions, a unit reported here as \$66,000 would be considered the cap for new construction of a unit that is considered ‘affordable’ housing.

Based on this information 1.2% or 9 units constructed during 2003 could be considered as ‘affordable’ housing. Since 2000 less than 1.5% of the new units built in Little Rock fell in the ‘affordable’ range. The actual number of units has remained fairly constant at eight or nine since 2000. The number of units as a percentage of those built however has declined from around two percent to about one percent of the new units. It should be noted that some in the housing community feel that new housing is built at the upper end and older existing housing is the ‘affordable’ units for the more moderate-income households.

Affordable Housing

Year	% units below \$66,000	# units below \$66,000	Total Units
2000	1.9%	9	468
2001	1.9%	9	483
2002	1.4%	8	581
2003	1.2%	9	729

Residential Renovations/Additions

Reinvestment in Little Rock neighborhoods can be illustrated by the amount of renovation and addition activity within the neighborhoods. During 2003 reinvestment totaled in excess of \$22 million dollars. The east sub-area had the greatest number of permitted projects issued in 2003 with 326 (35.4% of all the projects for 2003).

The central and east sub-areas had two to three times the activity of that in the west and southwest sub-areas. Approximately 68.7% of the permits were issued in one of these two sub-areas. With approximately \$15.7 million of the \$22.6 million dollars (or 69%) spent for reinvestment occurring in these sub-areas, they are the dominant part of the reinvestment market. It is worth noting that 59.3% of all reinvestment occurred in the central sub-area.

The central sub-area accounts for 33.5% of the permits for additions occurred and 59.3% of the dollars were spent. This indicates a strong desire among residents in this area to keep and improve the housing stock. The other active sub-area (east) was dominated by renovations (93%) rather than additions. While it is a positive sign to see this reinvestment, it can be only to 'bring the housing up to code'. The 'addition' part of the renovation picture gives the clearest view of the desire to reinvest (since renovation can be to make repairs, maintain value, rather than increase the value for the home). The central sub-area accounted for 63% of the addition (dollars) and 55.7% of the renovation (dollars).

Multi-Family Renovations

The areas, which experienced the largest number of permitted projects were the central and east sub-areas. However, the west sub-area had the most dollars spent -- \$3,769,488 but less than a quarter of the permits (22 of 98). Just under a million dollars was spent in the central and east sub-areas, \$0.9 million and \$0.7 million respectively. Permit activity was greatest in the central sub-area followed by the east, west and southwest – respectively. The southwest sub-area had the least permits and dollars spent (13 and \$376,750).

Single-Family Additions

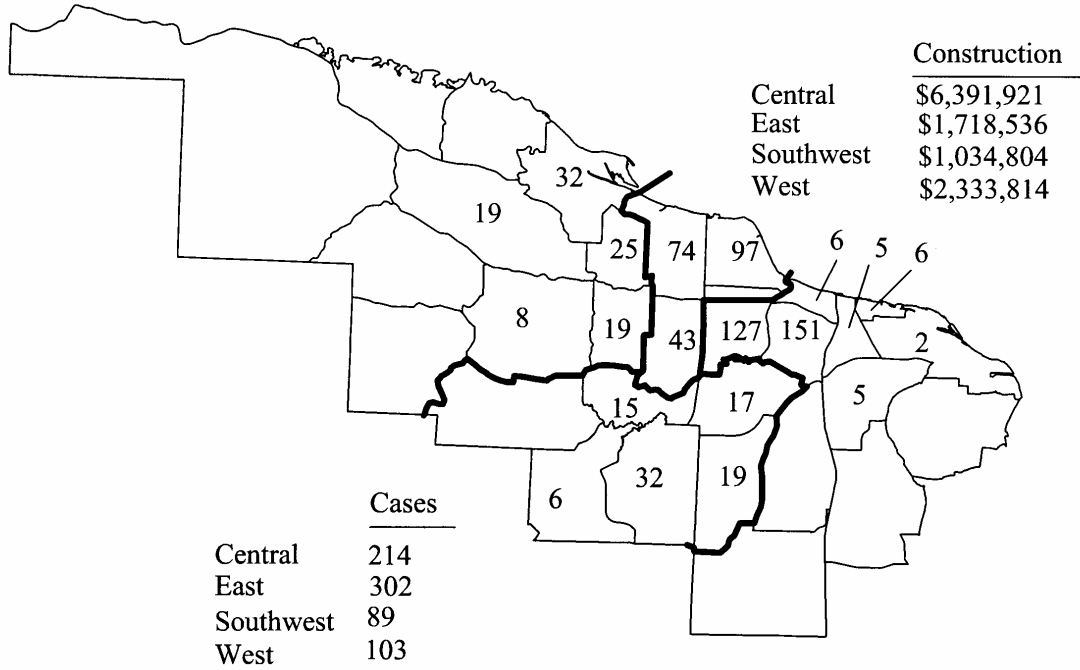
Single-family additions were concentrated in the central sub-area. Citywide 210 permits were issued for a total of \$11,160,876. The central sub-area accounted for 63% (\$7,026,969) of the dollars permitted. The majority of the central sub-area permits and dollars were expended in the Heights/Hillcrest Planning District (63 permits and \$5,794,412) and the West Little Rock Planning District (24 permits and \$1,134,735). In the west sub-area 68 permits were issued for \$3,073,223. The Chenal and Rodney Parham Districts accounted for 22 and 16 (respectively) of these permits with \$930,003 and \$370,790 (respectively). The number of permits issued for additions increased from 2002 levels (35.5%). Overall the average value of permits issued for additions increased by 60.4%.

Residential Renovations/Additions

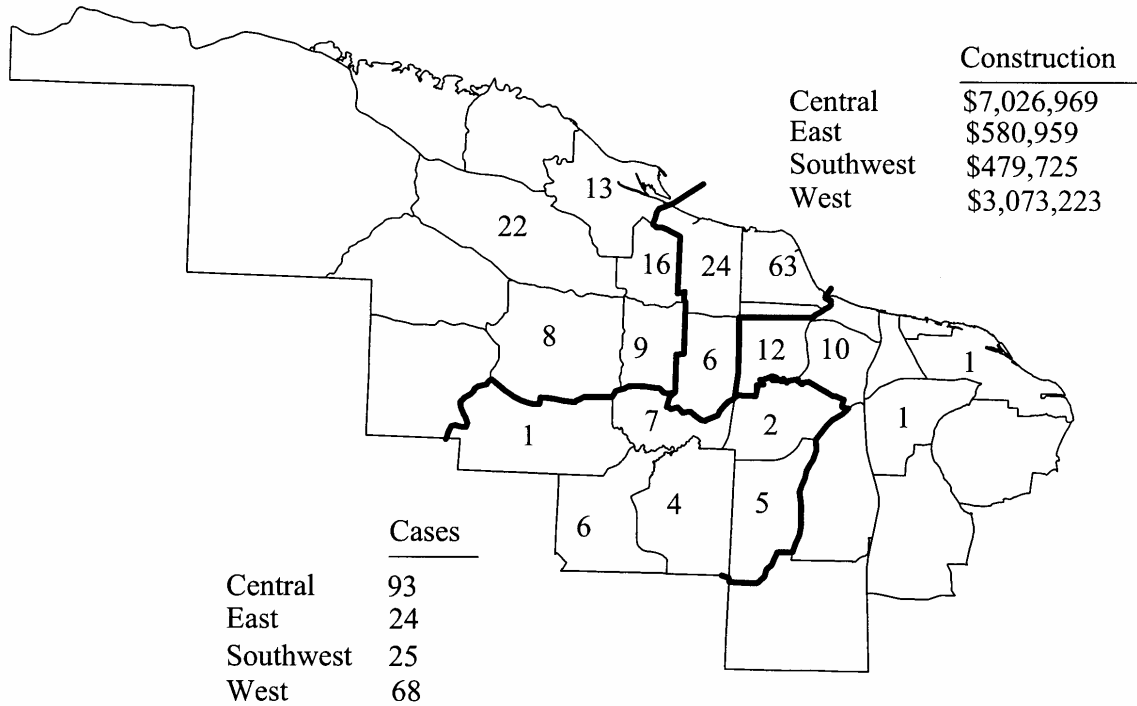
Planning District	Single-Family Additions		Single-Family Renovations		Multi-Family Renovations	
	Permits	Avg. Value	Permits	Avg. Value	Permits	Avg. Value
1	13	\$71,093	32	\$20,416	4	\$69,200
2	16	\$19,424	25	\$38,194	14	\$47,850
3	24	\$47,281	74	\$26,532	10	\$22,940
4	63	\$91,975	97	\$41,871	22	\$27,687
5	0	\$0	6	\$48,230	4	\$46,200
6	0	\$0	6	\$14,242	1	\$500
7	0	\$0	5	\$23,600	2	\$20,000
8	10	\$31,096	151	\$20,715	17	\$26,406
9	12	\$19,208	127	\$8,235	4	\$13,725
10	6	\$16,304	43	\$8,535	3	\$23,333
11	9	\$82,194	19	\$10,808	4	\$19,250
12	7	\$22,543	15	\$8,532	0	\$0
13	2	\$5,500	17	\$9,424	0	\$0
14	5	\$12,892	19	\$13,096	8	\$15,344
15	4	\$16,796	32	\$11,087	5	\$50,800
16	6	\$26,600	6	\$23,833	0	\$0
17	1	\$19,680	0	\$0	0	\$0
18	8	\$13,559	8	\$13,638	0	\$0
19.1	9	\$65,347	6	\$17,667	0	\$0
19.2	13	\$26,299	13	\$23,478	0	\$0
20	0	\$0	0	\$0	0	\$0
21	0	\$0	0	\$0	0	\$0
22	0	\$0	0	\$0	0	\$0
23	0	\$0	0	\$0	0	\$0
24	1	\$19,499	5	\$7,500	0	\$0
25	1	\$20,000	2	\$7,200	0	\$0
	210	\$53,147	708	\$20,451	98	\$31,001

Residential Renovations/Additions

Single Family Renovations



Single Family Additions



Demolition Activity

The net change in residential units for 2003 was an increase of 1069 residential units. All the cities sub-areas experienced increases in net units added. Only four of the City's thirty planning districts experienced net losses of residential units during 2003. The Heights/Hillcrest District is the only one to go from positive to negative in 2003. The Central City, Geyer Springs East and College Station Districts went from negative to positive growth in units. While the I-30 District went from negative to neutral. The remaining three districts were negative both years (East Little Rock, Downtown and I-630).

All the units lost in 2003 were only single-family homes, with the I-630 planning districts experiencing a double-digit net loss in the number of housing units (11). The Central City District gained units only due to a college dorm, otherwise it would have again had a net loss of units.

Most of the loss in the Heights/Hillcrest District was due to a recently approved commercial development, northwest of Markham and University Avenue. (Some might consider this loss not to be negative.) In addition to the twenty homes lost in Heights/Hillcrest, the Central City District lost 32 and the I-630 District lost 27. These latter two districts have a history of high unit loss. The loss of so many single-family homes may have negative impacts in the future, resulting in the deterioration of additional homes in the area. In the last few years the City of Little Rock has started programs to protect the remaining housing stock with the hopes of negating these impacts.

Residential Units Change

Planning District	Units Added	Units Demo	Net
1 River Mountain	18	0	18
2 Rodney Parham	3	0	3
3 West Little Rock	21	0	21
4 Heights/Hillcrest	12	20	-8
5 Downtown	0	1	-1
6 East Little Rock	0	3	-3
7 I-30	0	0	0
8 Central City	140	32	108
9 I-630	16	27	-11
10 Boyle Park	29	3	26
11 I-430	12	2	10
12 65th Street West	60	1	59
13 65th Street East	4	0	4
14 Geyer Springs E.	4	0	4
15 Geyer Springs W.	10	2	8
16 Otter Creek	252	1	251
17 Crystal Valley	1	0	1
18 Ellis Mountain	229	1	228
19.1 Chenal Valley	195	0	195
19.2 Chenal Ridge	122	0	122
20 Pinnacle	32	0	32
21 Burlingame	0	0	0
22 West Fourche	0	0	0
23 Arch Street Pike	0	0	0
24 College Station	4	2	2
25 Port	1	1	0
Total	1165	96	1069

When reviewing the ten-year history of removed homes, two districts stand out – Central City and I-630. These two districts are averaging the annual removal of 57 and 38 units respectively and consistently have had net losses. The loss of units continues to be high in the older parts of Little Rock, east of University Avenue. This area accounted for 89.6 percent of all units lost (86 of 96 units). Efforts need to be redoubled to stabilize and re-energize these neighborhoods if the loss of housing stock is to be stopped in the core.

Demolition Activity

Single Family Unit Change

Sub-Area	Units Added	Units Demo	Net
West	611	3	608
Central	62	23	39
Southwest	331	4	327
East	161	66	95

Single-Family Units Removed

Planning District	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Total
1	2	3	1	1	0	2	1	2	1	2	0	15
2	1	0	0	0	3	0	1	0	0	0	0	5
3	1	2	3	0	3	1	2	1	0	0	0	13
4	2	7	2	4	12	8	11	10	13	6	20	95
5	2	10	2	4	3	7	20	5	0	1	1	55
6	13	6	7	14	5	5	3	25	21	8	3	110
7	5	3	8	6	6	5	3	17	1	3	0	57
8	113	75	52	49	38	34	62	61	27	33	32	576
9	84	33	27	31	46	28	24	30	29	23	27	382
10	8	4	5	5	1	2	5	8	5	3	3	49
11	2	0	0	8	1	1	0	2	1	2	2	19
12	0	0	4	2	0	0	3	0	3	1	1	14
13	64	1	0	1	2	2	1	2	0	0	0	73
14	2	1	3	2	2	1	1	10	3	2	0	27
15	1	1	11	1	3	1	3	0	2	3	2	31
16	0	2	2	2	1	0	1	0	1	4	1	14
17	0	0	0	0	0	0	0	0	0	0	0	0
18	1	0	1	0	1	0	0	0	0	1	1	4
19	0	0	3	0	2	1	0	2	0	0	0	8
22	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	1	0	0	0	0	0	1
24	1	2	1	1	2	0	0	1	2	1	2	13
25	0	0	0	1	3	2	1	2	0	0	1	10
Total	302	150	132	132	134	101	142	178	109	93	96	1569

Office Activity

During 2003, the square footage of new office space added increased by 285.9% over 2002. The total square footage permitted in 2003 was 384,965; however over half this is in one project downtown. The number of permits issued doubled (22 permits in 2003, 11 permits in 2002). In 2003 the total construction cost (\$35,711,284) almost quadrupled, returning to a moderate level.

The east sub-area accounted for the majority of office activity with 230,024 square feet and 59.8 percent of the permits. The west sub-area had the greatest number of permits with 13 with an area of 101,976 square feet. The central and southwest sub-areas had between 20,000 and 30,000 square permitted (28,224 and 24,741 respectively). Though the southwest sub-area had double the permits of the central sub-area (5 to 2).

Two buildings were permitted with over 25,000 square feet, a medical office building in the I-430 district, near Baptist Hospital and a mixed-use building (office hotel and residential building) in the Downtown District. A third project, Winrock International Headquarters, in the Heights/Hillcrest District had just less than 25,000 square feet (24,636). What new activity occurred was for small professional office or branch bank buildings of 5000 to 8000 square feet.

Building Permits – Office

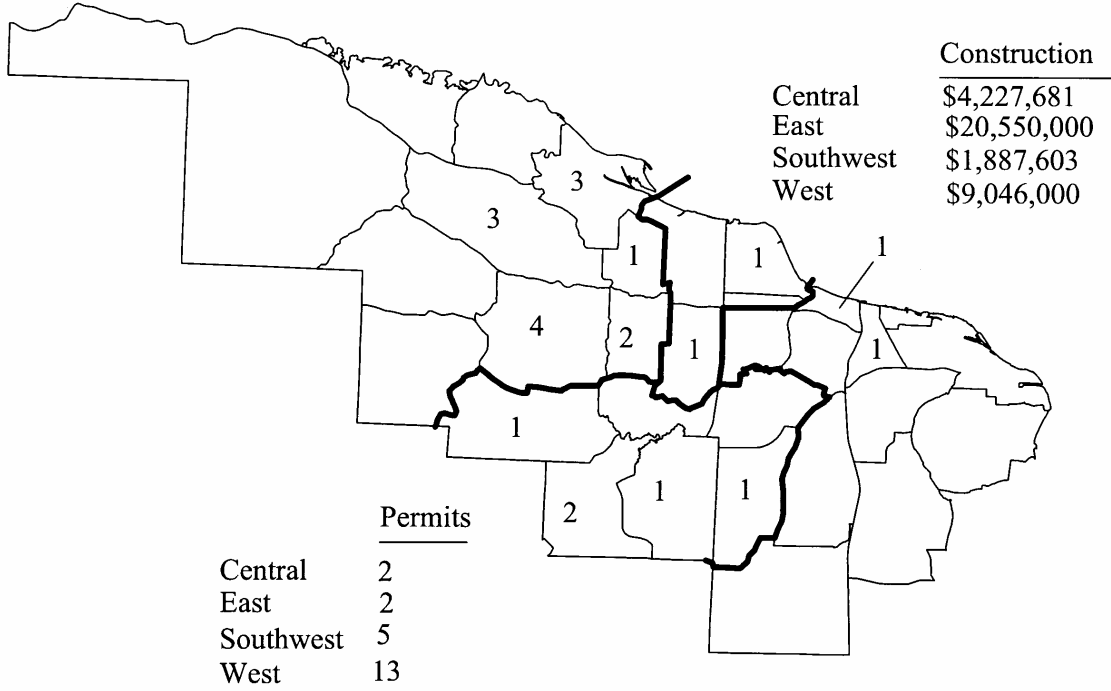
Year	Permits	Sq. Ft.	Cost
1990	9	297,477	\$18,700,000
1991	9	169,970	\$8,794,600
1992	6	249,216	\$12,660,000
1993	6	158,206	\$8,327,700
1994	12	594,340	\$30,625,838
1995	14	286,923	\$10,576,200
1996	15	1,204,450	\$37,458,666
1997	15	903,984	\$10,906,990
1998	29	454,250	\$29,764,837
1999	26	371,382	\$21,483,887
2000	24	1,710,683	\$116,819,784
2001	20	399,011	\$22,173,454
2002	11	99,759	\$9,229,585
2003	22	384,965	\$35,711,284

Office Projects Permitted in excess of 25,000 square feet

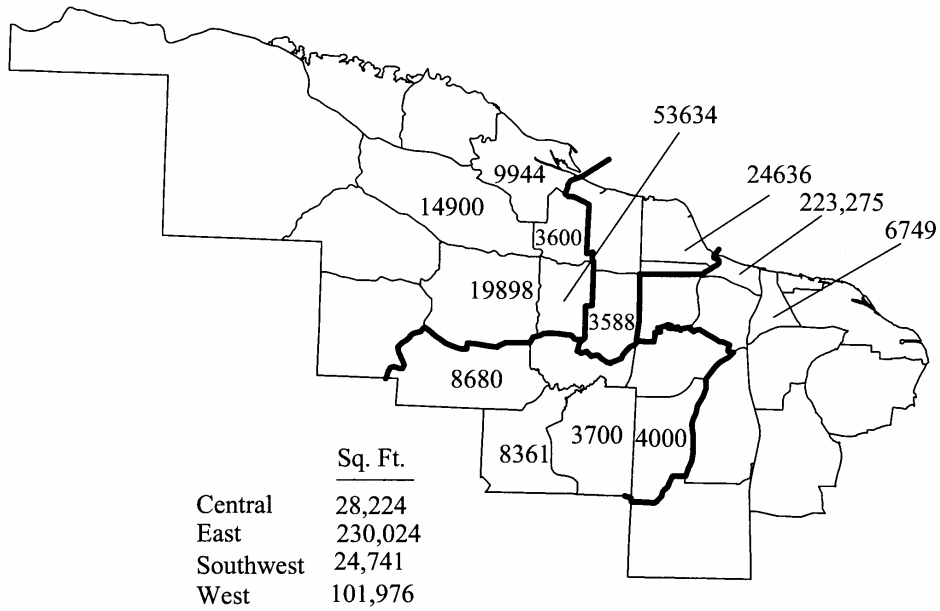
Project	Location	Sub-area	Sq. Ft.
First Security (mixed use)	521 Presidential Clinton	east	223,275
Medical Building (4 stories)	9021 Kanis Road	west	49,205

Office Activity

New Office Activity



New Office Activity



Office Vacancy Rate

Vacancy Rates are based on 2003 data furnished by *Arkansas Business – 2003 Guide to Central Arkansas Commercial Real Estate*. It is important to note that the occupancy rates should not be used as a direct comparison from year to year and comparisons must remain general. The survey is a self-selecting non-verified questionnaire. This information is supplied to give an overview of the occupancy rates within the City. The *2003 Lease Guide* includes listings on 236 office properties within Little Rock. This is an increase of nine from last years report. *Arkansas Business* made no effort to validate the survey responses. For more information contact Gwen Mortiz, Editor-In-Chief – *Arkansas Business* at 501-372-1443.

Arkansas Business found that the metropolitan occupancy rate continued to soften, two percentage point decline (87% to 85%). This is the second year of two percentage point drops in the occupancy rate for the region. The annualized occupancy rates for the Little Rock sectors (shown below) have experienced varying changes.

Office Market

Sub-area	Total Leasable Space	Average Occupancy Rate
East	5,689,795	78.7%
Central	1,561,406	91.6%
Southwest	390,599	72.6%
West	3,233,142	86.5%

The central and southwest sub-areas maintained similar leasable areas, with both the east and west sub-areas increasing over ten percent. This increase is due to reporting changes more than new space built in the sub-area. Over a million square feet more is included in the survey but less than 100,000 square feet was built last year in the City. For that matter only a little over 800,000 square feet of new space was permitted over the last three years combined (2001-2003).

The occupancy rates for the central and west sub-areas were steady. The central sub-area at 91.6 percent had the best occupancy rate and the only one to stay above 90 percent. The figures indicate the central sub-area may even have strengthened slightly. The west sub-area is the only other sub-area above the regional occupancy rate at 86.5 percent. Both of these sub-areas were above the regional occupancy rate in 2002 as well. The east sub-area with about half the reporting space, weakened significantly, four percentage points. It should also be noted that the reporting area increased 11 percent for the east sub-area. This sub-area was below the regional occupancy rate for in 2002 as well, however it weakened twice that of the region (4 points to 2 points). The southwest sub-area with only around 400,000 square feet reporting is the most subject to fluctuations in occupancy rate. For 2003 a drop of 17 percentage points occurred.

A few new office projects came on line in 2003 with several more to be completed over the next year or two. Most of these new office buildings are in the west or east (near Downtown) sub-areas. Some of this new construction has been current lessees building their own building, which resulted in vacant space in existing buildings. At the same time the new building often has additional space, the owner hopes to lease to help increase their income.

Commercial Activity

The total of new commercial construction added in 2003 amounted to 962,519 square feet of commercial space. This represents an increase of 315% in square footage added from that in 2002. Construction values almost doubled (97.7 % increase) from 2002. The number of projects permitted increased 30 percent from that in 2002 (26 projects versus 20 projects in 2002). Construction values almost doubled (97.7 % increase) from 2002 values. In 2003, \$35,555,179 construction dollars were permitted compared to \$17,981,631 in 2002.

The west sub-area captured the majority of the new commercial development with 344,038 square feet added (35.7%). Approximately 88 percent of this was in two projects, a Walmart Supercenter in the Chenal District (210,488 square feet) and Kohl's Department Store in the Ellis Mountain District (90,000 square feet). The east sub-area followed with the addition of 243,659 square feet in two projects. However, most of this was in one project, a parking deck, only 18 percent of the added area was for commercial use. In the central sub-area there were ten projects, the highest (38.5%) with a total of 218,484 square feet. The southwest sub-area had the lowest amount of added area, 156,338 square feet with the second lowest number of projects -- five.

Building Permits – Commercial

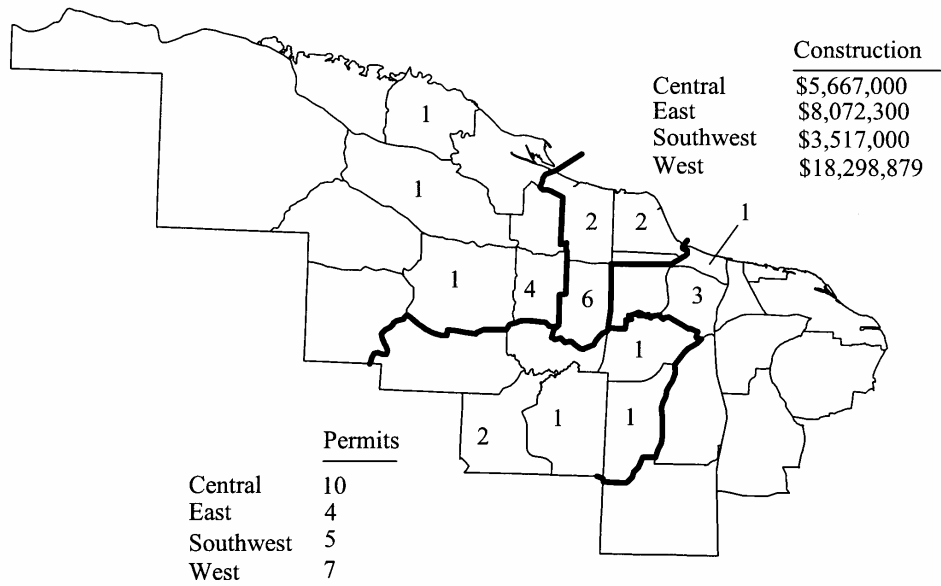
Year	Permits	Sq. Ft.	Cost
1990	41	905,670	\$31,353,969
1991	22	262,942	\$8,134,940
1992	24	329,715	\$10,358,569
1993	32	794,548	\$20,106,738
1994	56	582,508	\$24,223,325
1995	50	744,336	\$25,061,532
1996	53	3,321,000	\$68,384,102
1997	38	2,100,340	\$32,916,260
1998	29	419,669	\$21,048,399
1999	26	348,112	\$12,695,827
2000	20	315,873	\$15,983,521
2001	22	336,692	\$17,434,611
2002	20	231,895	\$17,981,631
2003	26	962,519	\$35,555,179

Commercial Projects Permitted in excess of 20,000 square feet

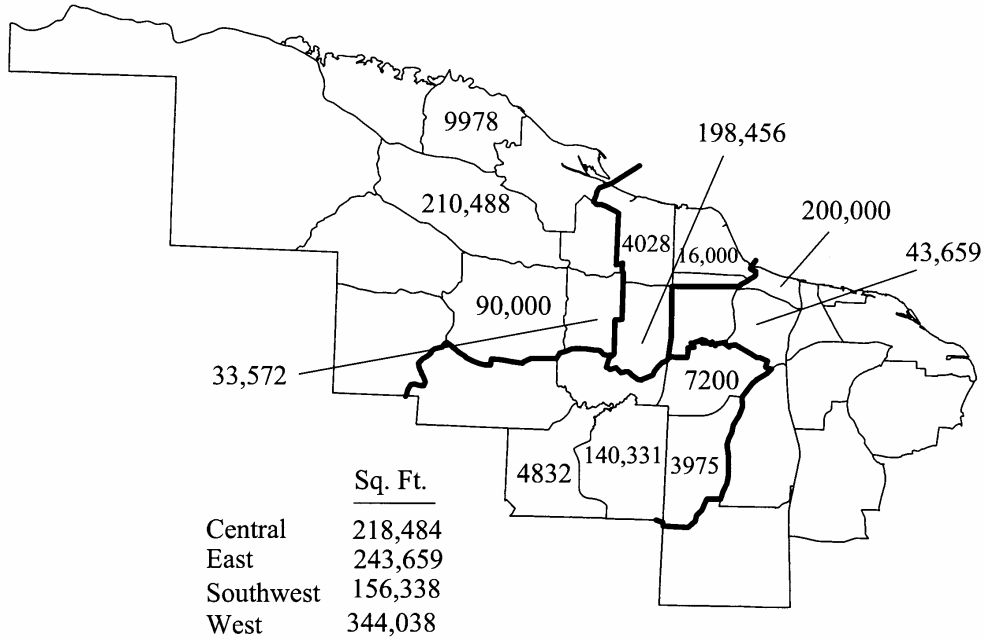
Project	Location	Sub-area	Sq. Ft.
Walmart Supercenter	19301 Cantrell Road	west	210,488
River Market Parking Deck	500 East 2 nd Street	east	200,000
Home Depot	11 Mabelvale Plaza Lane	southwest	140,331
Kohl's Department Store	13909 Chenal Parkway	west	90,000
Mini storage	2010 University Avenue	central	89,000
Shall retail building	2 Freeway Drive	central	38,000
Shall retail building	6 Freeway Drive	central	38,000
Retail Center	10912 Colonel Glenn Rd	west	23,340
Rock Plaza Shopping Center	2000 University Avenue	central	22,300

Commercial Activity

New Commercial Activity



New Commercial Activity



Commercial Vacancy Rate

“Occupancy in the Greater Little Rock retail market established a new 17-year low in 2003 dipping to 82.6 percent.” (Arkansas Business Lease Guide 2003)

The occupancy rate information provided is based on 2003 data furnished by *Arkansas Business Lease Guide 2003*. It is important to note that the occupancy rates should not be used as a direct comparison from year to year and comparisons should remain general. The information is provided to give an overview of the occupancy rates within the City. The survey is a self-selecting survey, i.e. only those who respond are counted and there is no effort to validate the responses. For more information contact Gwen Mortiz, Editor-In-Chief - *Arkansas Business* at 501-372-1443.

Commercial Market

Sub-area	Total Leasable Space	Average Occupancy Rate
East	885,884	77.9%
Central	1,989,929	77.3%
Southwest	596,893	70.6%
West	2,834,318	82.3%

Only the east sub-area showed an improvement in occupancy rates (points) in 2003. This was with a 29 percent increase in the area reported in the survey. The west sub-area continues to be the only sub-area at or above the regional occupancy level, 82.3 percent in 2003 to the region's 82.6. The other three sub-areas range from 77.9 to 70.6 occupied. The southwest sub-area returned to its poor showing after a good improvement in 2002. The east and central sub-areas have converged on a 77 to 78 percent occupancy rate. The central sub-area dropped 3 percentage points, while the east improved 5 points.

As noted by *Arkansas Business* much of the loss metropolitan wide has been due to the loss of regional or national retail outlets. It is worth noting the changes in “BIG BOX” retail and effects of national business decisions on Little Rock as well as the effects of local and smaller retailers.

The central and west sub-areas continue to have most of the retail – approximately 76.5 percent. Therefore, the changes in these two sub-areas will guide the numbers for the City as a whole. The most interesting change reported by this year's figures is the 29 percent increase in reported leasable space in the east sub-area with a 5 percentage point improvement in the occupancy rate for this sub-area.

Industrial Activity

A total of 138,255 square feet of industrial projects was permitted during 2003 in the city. This represents an 8% decrease over the square feet permitted during 2002. The total number of projects decreased by a third or three projects from 2002 levels. The value of new construction increased 67.6 percent from \$6,353,680 in 2002 to \$10,650,090 in 2003. The value and number of projects returned to a moderate level, while the square footage added remained low.

During the previous year, the east sub-area permitted the majority of the industrial projects. The east and southwest sub-areas accounted for all of the new industrial projects. The east sub-area accounted for 96.3 percent of the area added with the southwest sub-area adding only 5100 square feet. The east sub-area accounted for most of the value added with \$10,285,090 or 96.6 percent of the total value added. All four of the largest industrial projects permitted were in the east sub-area. Three of the largest projects were warehouses, two at the Little Rock Port. The largest project was a hanger at the airport for an airplane modification company.

Building Permits – Industrial

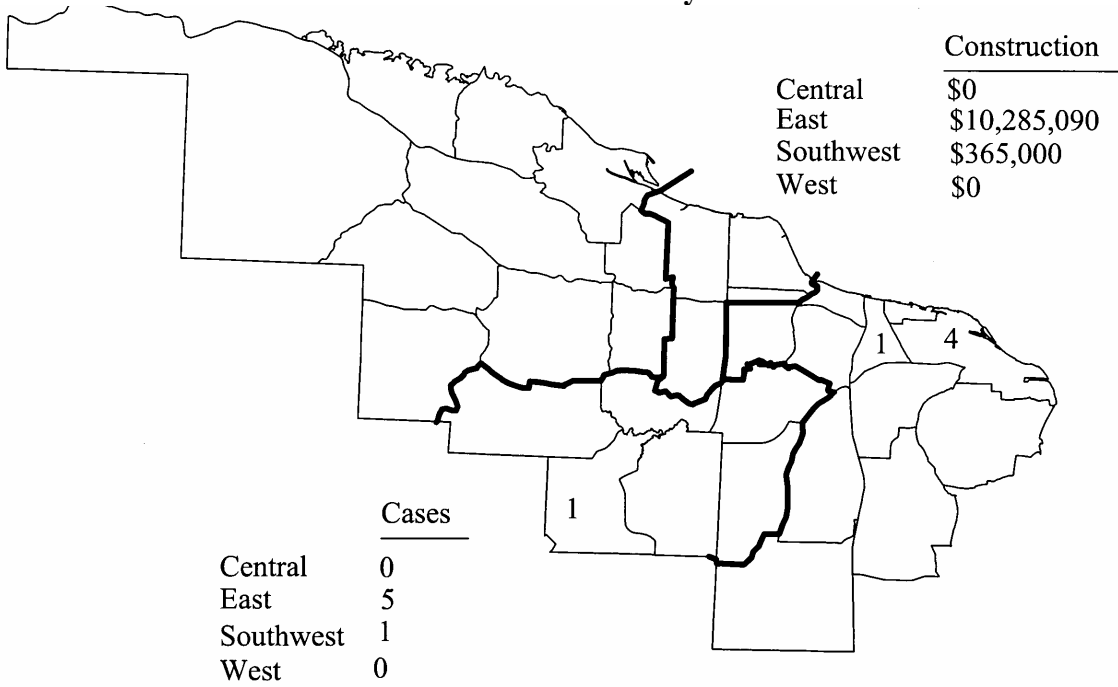
Year	Permits	Sq. Ft.	Cost
1993	1	56,400	\$750,000
1994	6	91,288	\$2,042,624
1995	4	108,750	\$2,511,400
1996	3	43,250	\$2,221,000
1997	7	513,346	\$6,968,001
1998	13	308,464	\$26,782,784
1999	18	395,022	\$7,622,214
2000	19	382,138	\$8,714,609
2001	7	87,502	\$1,482,000
2002	9	150,235	\$6,353,680
2003	6	138,255	\$10,650,090

Industrial Projects Permitted in excess of 15,000 square feet

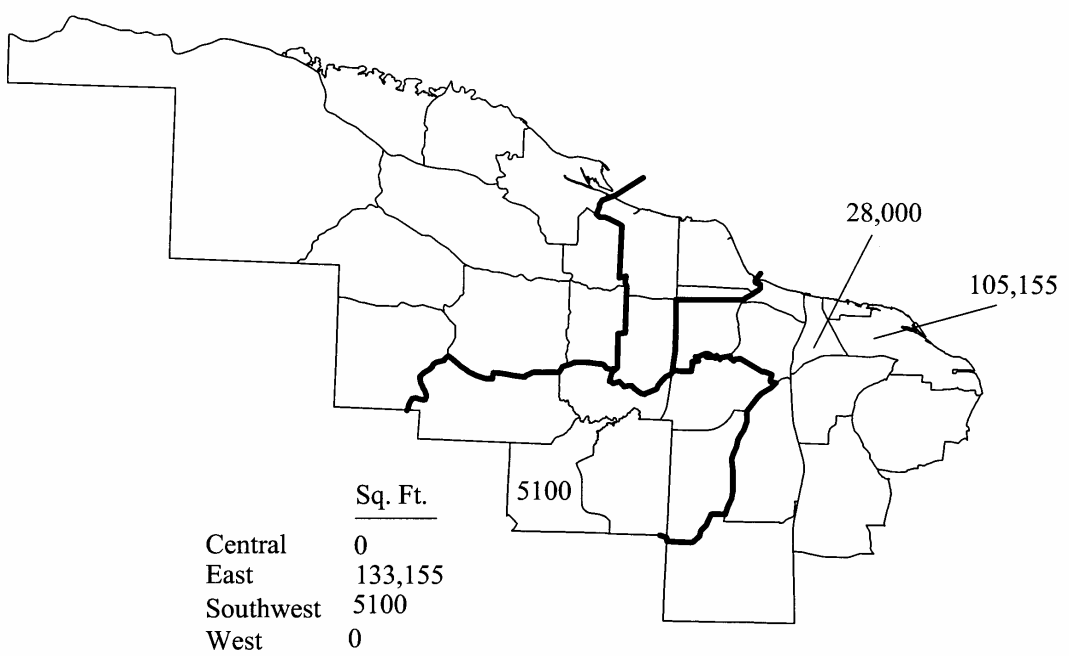
Project	Location	Sub-area	Sq. Ft.
Dassault Falcon Jet	3801 East 10 th Street	east	47,155
Moon Distributing	2805 Vance	east	28,000
Little Rock Port	3922 Dock Road	east	26,000
Little Rock Port	3920 Dock Road	east	26,000

Industrial Activity

New Industrial Activity



New Industrial Activity



Warehouse Vacancy Rate

Due to the nature of industrial/warehouse properties, some fully occupied properties are often not reported. The vacancy rate may trend high as a result of this characteristic. In the 2003 *Arkansas Business Lease Guide*, the amount of space reported is approximately the same for the southwest and west sub-areas. However the east sub-area is reporting 37.6 percent more area and the central sub-area reported 35 percent less area. There has not been building nor demolition activity to account for these changes. It is reasonable to assume that some projects reported in 2002 were not reported in the 2003 *Lease Guide* while others may have been added.

Warehouse Market

Sub-area	Total Leasable Space	Average Occupancy Rate
East	1,495,142	66%
Central	551,796	91.9%
Southwest	2,018,471	76.3%
West	657,979	62.5%

All four sub-areas are reporting the same or higher occupancy rates. The central sub-area has been steady, 91.2 to 91.9 occupied. Likewise the southwest sub-area, while increasing over 1,000,000 square feet in area was improved reported occupancy two percentage points. While still weak at just over 76 percent occupied, one must remember that some occupied projects may not have been reported as noted above. The east and west sub-areas showed significant strengthening in occupancy rates. The east sub-area reported 37 percent more space and the occupancy rate improved almost 20 percentage points to 66 percent. The west sub-area remained constant in area, while showing a three-percentage point improvement to 62.5 percent in occupancy. This however is the lowest occupancy rate of the sub-areas. Since this is a self-selecting survey it may over represent vacancies. This would be because the real estate agents are trying to advertise availability of space. Both the 2001 and 2002 surveys found approximately 1.4 million square feet were available. Last year just less than 1.3 million square feet was reported as available. This no change in available area is as important if not more so than the changes reported in each sub-area. It shows stability.

It is important to note that the occupancy rates should not be used as a direct comparison from year to year and comparisons must remain general. This information is supplied to give an overview of the occupancy rates within the City. The 2003 *Lease Guide* includes listings on 63 warehouse properties. *Arkansas Business* made no effort to validate the survey responses. For more information contact Gwen Moritz, Editor-In-Chief- *Arkansas Business* at (501)-372-1443.

Annexation Activity

The City accepted one annexation, totaling 2.77 acres in 2003. The “Hopper Annexation” was the result of a property owner’s request to be included into the corporate limits to receive city services. The owner proposes to develop a car wash on a portion of the 2.77 acres included in this annexation. This annexation brings both sides of Kanis Road from Rock Creek to Chenal Parkway within Little Rock. Areas presented in the table are based on the area generated using legal descriptions for each area.

With the acceptance of this annexation, the current city limits of Little Rock included 118.9 square miles. This is an increase of 43.9% from 1980 and an 11.2 percent increase over the total square miles in 1990. The period of aggressive annexation activity experienced from 1979 through 1985 appears to be over.

When reviewing the historical record of Little Rock growth, large expansions occurred in the mid-1950s and again in the late 1970s. It is a second surge in the early to mid-1980s that makes the growth change noticeable to people today. Since the middle 1980s, Little Rock’s growth in area has followed a similar line as that from the mid-1940s to mid-1950s and the early 1960s to the mid-1970s.

Year	Cases	Annexed Acres	City Limits Sq. Miles
1970	3	1291.881	50.933
1971	4	68.495	51.040
1972	7	196.349	51.347
1973	10	456.226	52.060
1974	4	708.133	53.166
1975	10	430.023	53.838
1976	7	67.415	53.943
1977	8	1514.043	56.309
1978	29	2369.991	60.012
1979	41	12526.042	79.584
1980	10	1951.289	82.633
1981	9	608.971	83.585
1982	7	367.945	84.159
1984	10	364.905	84.730
1985	4	8746.251	98.396
1986	1	21.244	98.429
1987	5	446.156	99.126
1989	1	2176.691	102.527
1990	2	2781.279	106.873
1991	1	686.131	107.945
1993	5	1093.291	109.653
1994	3	1942.767	112.689
1995	1	72.482	112.802
1996	8	695.018	113.888
1997	2	820.152	115.169
1998	3	247.644	115.556
1999	1	1229.616	117.478
2000	2	328.057	117.990
2001	2	566.858	118.876
2002	1	5.34	118.884
2003	1	2.77	118.888

Subdivision Activity

A review of subdivision plat activity is a good measure of likely development over the next year. The maps and table show the locations of Planning Commission approved preliminary plats. This indicates a majority of development activity will likely occur in the west sub-area of the city. In the east sub-area no activity occurred, while there were four cases in the central sub-area with under 15 acres involved.

The most activity was in the west sub-area with 15 cases. The southwest sub-area was next most active with 11 preliminary plat cases approved by the Planning Commission. By far the west sub-area had the greatest activity with over 421 acres in 15 plats, while the southwest sub-area had some activity with 188 acres in 11 cases.

The central and east sub-areas are for the most part developed leaving little opportunity for platting activity. This area has been developing over the past fifty years. The west sub-area area (west of I-430) did not begin to develop until the 1960's.

The number of approved preliminary plats increased from 23 in 2002 to 30 in 2003. The total acreage in 2003 was up from 522.36 to 624.18 acres. Non-residential activity experienced only slight changes in numbers. In 2002, seven plats were approved while six plats were approved in 2003. The total non-single family acreage platted went from 211.9 acres to 51.25 acres (a quarter of the previous level). All nonresidential acreage platted fell markedly: commercial acreage dropped 60 percent from 83 to 33 acres, with office falling by 80 percent and industrial falling 97 percent. However, residential platting activity saw an increase from 16 plats to 24 plats, a 50 percent increase. Multi-family stayed at 1 plat with the acreage declining from 10 to 6.3 acres. Single-family acreage increased from 357 acres to 572.7 acres. Residential lots increased significantly from 706 approved in 2002 to 1183 residential lots approved in 2003. This is a 67.6 percent increase in the number of lots platted.

The majority of the single-family residential approved preliminary plat cases were located in the west sub-area (14 cases) and 70% of the acreage was located in the west sub-area. The central sub-area had three cases of residential preliminary plat activity. The second most active sub-area was the southwest sub-area, experiencing 7 cases and 162.7 acres (28% of the residential acreage).

Though only minimal (five cases total) most of the non-residential plat activity was in the southwest sub-area, 60 percent of the cases. All of the industrial (one case) and office (one case) plats were in the southwest sub-area. The commercial plats were split evenly between the west, central and southwest sub-areas. However 66 percent of the area commercially platted was in the west sub-area (almost 22 acres).

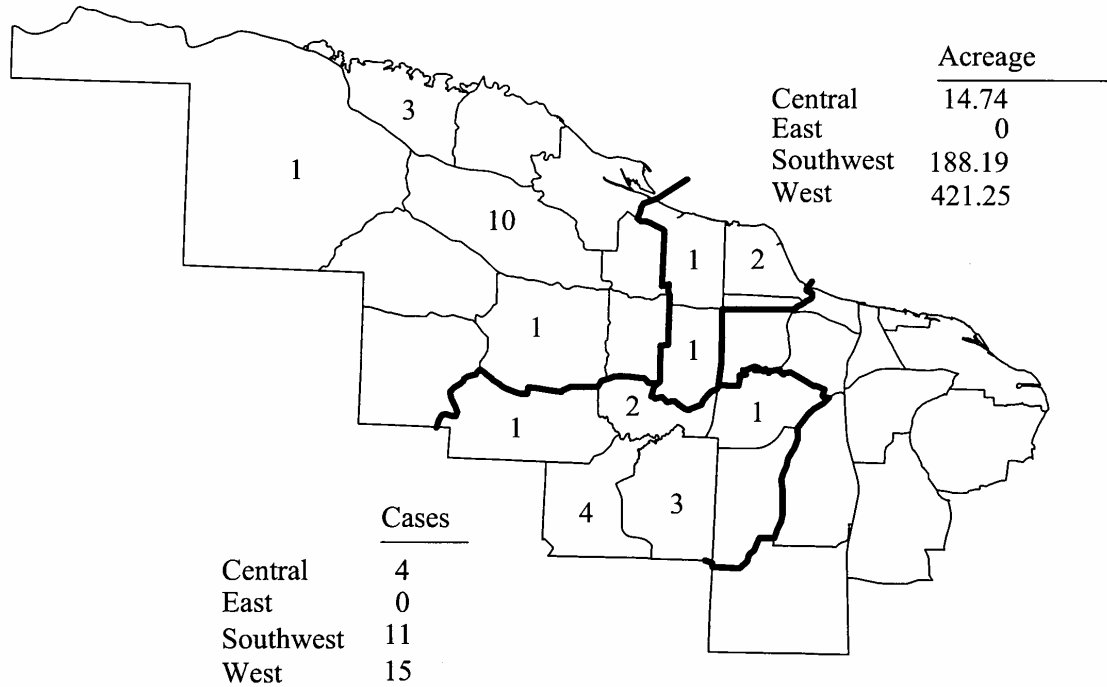
The only multifamily plat was in the southwest sub-area.

This plat activity shows continued interest in the west and southwest sub-areas for developable areas.

Subdivision Activity

Plan Dist.	Commercial		Office		Industrial		Multi-Family		Single Family		Res. Lots
	cases	acres	cases	acres	cases	acres	cases	acres	cases	acres	
3									1	4.51	2
4									2	6.21	4
10	1	4.02									
12									2	88.31	316
13									1	4.71	19
15					1	1.77			2	20.86	12
16	1	7.2	1	10.2			1	6.337	1	10	35
17									1	38.8	22
18									1	70	78
19	1	21.9							9	297.4	687
29									3	21.99	6
30									1	9.96	2
Total	3	33.12	1	10.2	1	1.77	1	6.337	24	572.75	1183

Approved Preliminary Plats



Final Plat Activity

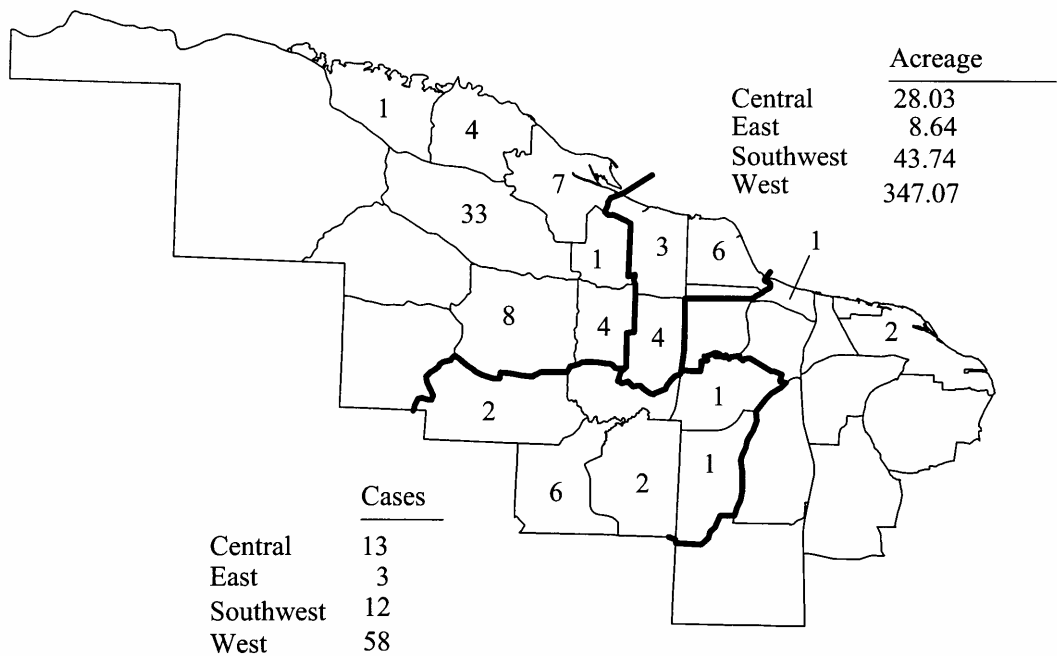
The number of final plats increased during 2003, however the acreage decreased from the 2002 rates. In 2003, 86 cases for a total of 427.73 acres were final platted. This is compared to 70 cases and 444.74 acres in 2002 representing a 20 percent increase in cases and a 3.9 percent decrease in acreage.

Signed final plat activity has been concentrated in the west sub-area with 58 final plats recorded with 347.07 acres. The central and southwest sub-areas each had 13 and 12 cases, respectively. The acreage platted in the central sub-area was 28.03 acres while 43.74 acres was final platted in the southwest sub-area. The west sub-area represented 67% of the cases and 79.9% of the area final platted in 2003. The table and maps indicate more specifically the Planning District where the strongest activity is occurring.

Activity in the west sub-area increased with the number of final plats going from 39 in 2002 to 58 in 2003, approximately a 44 percent increase. The central sub-area likewise experienced an increase in activity of 44 percent, from 9 cases to 13 cases in 2003. The remaining sub-areas experienced losses in activity. The southwest sub-area went from 15 cases to 12, a drop of twenty percent. The east sub-area fell 57 percent going from 7 cases in 2002 to only 3 cases in 2003.

Plan Dist.	Final Plat	
	cases	acres
1	7	14.86
2	1	0.39
3	3	3.02
4	6	8.09
5	1	0.07
10	4	16.92
11	4	8.85
13	1	5.2
14	1	0.37
15	2	19.21
16	6	6.82
17	2	12.14
18	8	75.82
19	33	221.29
20	4	19.14
25	2	8.57
29	1	6.97
Total	86	427.73

Approved Final Plats



Zoning Activity

In 2002 there were 11 cases with a total of 53.7 acres, this increased significantly to 27 cases approved in 2003 with 343.14 acres. The City saw the number of approved cases increase over 125 percent that of the previous year and the acreage reclassified increase by over 530 percent. The west sub-area accounted for most of the area rezoned (76.3 percent) with almost a quarter of the land reclassified in the southwest sub-area. These two sub-areas accounted for 83 percent of the 'regular' rezoning cases in 2003.

Fifty percent of the area rezoned and two-thirds of the cases resulted in commercial classifications. These commercial reclassifications were distributed in all four sub-areas. All the industrial rezoning (two cases and 6.34 acres) was in the southwest sub-area. The one single-family zoning was likewise in the southwest sub-area. While all the office and multifamily reclassifications were in the west sub-area.

Planned Zoning District (PZD) activity increased during the 2003 reporting period over the 2002 request and acreage. During 2002, 61 cases were approved as PZD's for a total of 280.47 acres. During 2003 there were 70 cases and 310 acres approved. This is an increase of 14.8% in the number of cases and 10.5% in the area involved.

The west sub-area each captured 57% of the approved PZD cases of the City. The central and east sub-areas followed with approximately 15.7 % of the cases each. The southwest sub-area captured 11% of the PZD activity. Acreage distribution by percentage indicates the west sub-area accounted for almost 73%, southwest sub-area 13.4%, the central sub-area 4% and the east sub-area 9.6%.

To get a complete view of the zoning activity, one needs to look at both PZD and regular reclassification. For 2003 there was an increase (excluding the two city rezonings) in both cases and area reclassified. Figures show an increase of 34.7 percent in cases from 72 to 97 and a 95.6 percent increase in area reclassified from 334 to 653.14 acres.

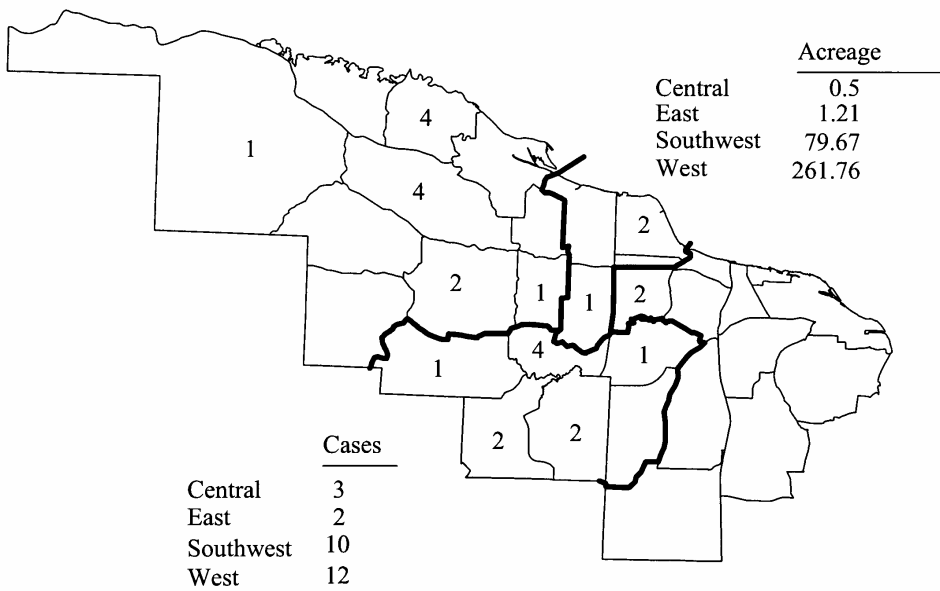
The table and map of rezoning and PZD approved cases show the areas most likely to develop in 2004 or soon then after. Because of the nature of PZD request, these are projects likely to be developed in the near term.

Based on the information provided by the graphic and the table, the majority of growth should take place in the west sub-area. The southwest sub-area will also experience growth; the east and central sub-areas continue to have a minimal growth rate.

Zoning Activity

Planning District	Commercial		Office		Multi-Family		Single-Family		Industrial	
	cases	acres	cases	acres	cases	acres	cases	acres	cases	acres
4	1	0.13					1	0.258		
9	2	1.21								
10	1	0.11								
11	1	10.2								
12	4	67.5								
13	1	0.5								
15	1	2.7							1	3.4
16	1	1.8							1	2.94
17							1	0.834		
18	1	58.8	1	12.84						
19	2	10.42	1	16.34	1	16.79				
20	2	17.26	1	16.27	1	95.59				
30	1	7.25								
Total	18	177.88	3	45.45	2	112.38	2	1.09	2	6.34

Approved Rezoning

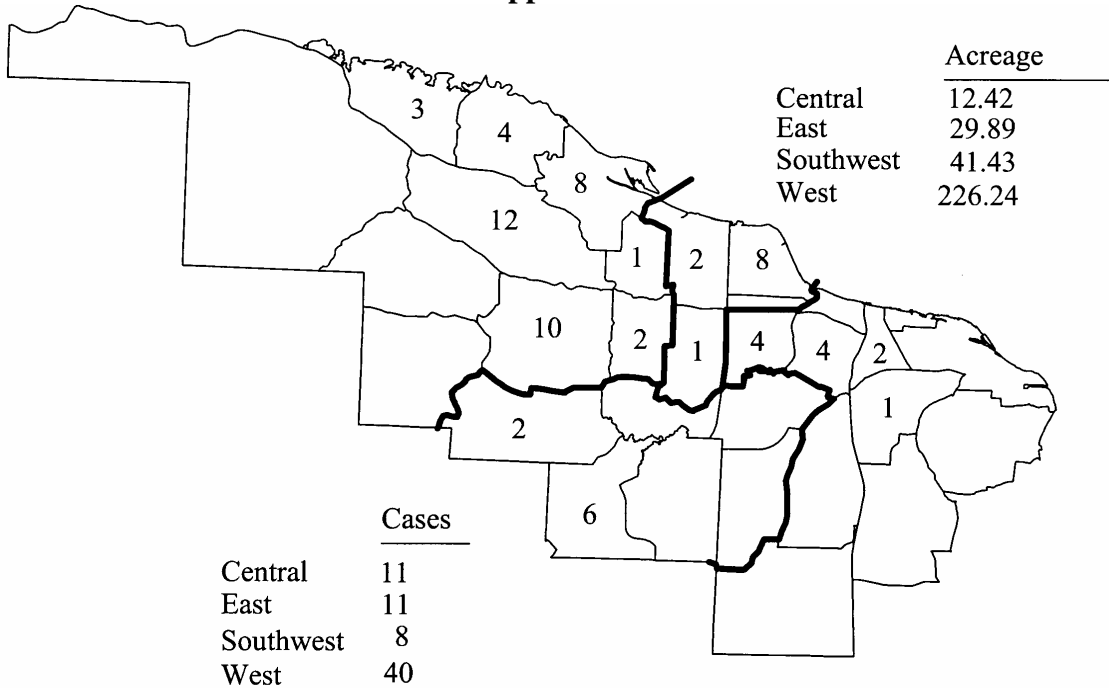


Zoning Activity

PZD Activity

Planning District	Commercial		Office		Industrial		Residential	
	cases	acres	cases	acres	cases	acres	cases	acres
1	2	8.7	3	14.77			3	15.21
2	1	0.86						
3			2	0.82				
4	5	8.69					3	2.02
7			1	22	1	2.06		
8	2	1.28	1	0.3			1	0.11
9	1	0.83	2	0.32	1	0.49		
10	1	0.89						
11	2	3.39						
16	3	17.77	1	7.5	1	4.95	1	0.75
17	2	10.46						
18	4	39.86	5	20.01			1	31.85
19	5	5.66	4	15.46			3	46.15
20	3	7.63	1	0.21				
24							1	2.5
29	2	11.28			1	5.2		
Total	33	117.3	20	81.39	4	12.7	13	98.59

Approved PZD's



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