

Multifamily Q1 2024

YOY Chg 12-Mo. Forecast

94.5%
Stabilized Occupancy Rate

4,598
Units Under Construction

\$1,060
Effective Rent, Per Unit

(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2024

YOY Chg 12-Mo. Forecast

\$77,075
NW Arkansas Median HH Income

2.6%
NW Arkansas Unemployment Rate

306,100
NW Arkansas Nonfarm Employment

ECONOMY

Propelled by strong job growth and high-tech GDP growth, the Milken Institute ranked Northwest Arkansas seventh among the best-performing cities in the nation, rising two places since last year's report. Comprised of Benton, Washington, and Madison Counties, the Northwest Arkansas market is home to multiple major corporate headquarters, most notably Walmart, the world's largest retailer and #1 on the Fortune 500 list.

The Fayetteville-Springdale-Rogers-Bentonville MSA now boasts a population of 623,940 residents, up 11.2% since the start of 2019. Over the past decade, the metro's population growth rate has more than doubled that of the robust regional growth, propelled by its strong job market, healthy in-migration, and high birth rate. This above-average population increase is forecasted to persist into the coming years, driving employment, commerce, and housing demand.

MULTIFAMILY MARKET

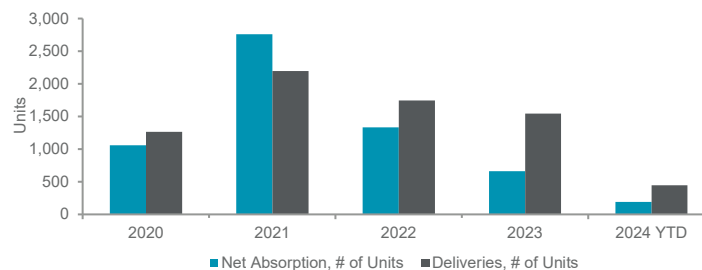
Northwest Arkansas continued to outperform the nation, ending Q1 with a stabilized occupancy rate of 94.5%. Though vacancies have expanded modestly over the past year, the market remained 110 basis points tighter than the U.S. rate.

Over the past five years, 9,196 new units were constructed across Northwest Arkansas, growing the inventory by 35.1%. In that same time, 7,879 units were absorbed, evidencing the healthy demand among residents for multifamily opportunities. Nearly two-thirds of all new supply since 2019 was concentrated in Central Benton County. Two projects completed in the first quarter of 2024: The Grafton (285 units) and The Bend (160 units), both located in Rogers.

At the close of the first quarter, 26 multifamily projects remained under construction totaling 4,568 units. As challenges persist in the single-family market, demand for multifamily units will remain strong across Northwest Arkansas.

Following a steady infusion of new inventory in response to the record-breaking tenant demand which peaked in 2021, this supply-side pressure held effective rents stable in recent quarters, ending Q1 at \$1,060 per unit. Effective rents climbed 24.1% over the past five years but Northwest Arkansas remains an affordable market among its Southeast peers.

DEMAND / DELIVERIES



STABILIZED OCCUPANCY & EFFECTIVE RENT



LOCAL ECONOMIC ANNOUNCEMENTS

- [Ranked No. 7 Among Milken Institute's Best-Performing Cities](#)
- [XNA Enplanements May Surpass 1 Million](#)
- [\\$36.5M Airport Terminal Expansion](#)

RECENT KEY SALE TRANSACTIONS

PROPERTY	DATE SOLD	SELLER	BUYER	UNITS	PRICE \$ UNIT	YEAR BUILT
Uptown Terrace	July 2023	SC Bodner Company	BAM Companies	260	Confidential	2021
The Fitzroy Grove	July 2023	Huffman & Co.	Lurin Real Estate	250	\$63.3 M \$253,000	2022
Pinnacle Heights	Mar 2023	Hunt Ventures	Laye Investments	283	\$77.0 M \$272,085	2021
Hillcrest Village	Apr 2024	Developing Equity LLC	Block RE	157	Confidential	2023

CURRENT LISTINGS



NORTH CREEKSIDE
Fayetteville, AR
195 Units | Built 1974



HAWTHORNE HEIGHTS
Bentonville, AR
54 Units | Built 2022

RECENTLY SOLD



HILLCREST VILLAGE
Springdale, AR
157 Units | Built 2023 | Closed 4/18/2024



THE FITZROY GROVE
Rogers, AR
250 Units | Built 2021 | Closed 7/27/2023



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