MARKETBEAT
NW ARKANSAS
MULTIFAMILY Q3 2024



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
95.0% Stabilized Occupancy Rate	▲	▲
1,252 YTD Net Absorption, units	▲	–
$1,150 Effective Rent, PSF	▲	–

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
314.6K NW Arkansas Employment	▲	▲
2.5% NW Arkansas Unemployment Rate	▼	▲
$79,100 NW Arkansas Median Household Income	▲	▲

Source: BLS

ECONOMY

Northwest Arkansas' economy remained robust, bolstered by strong in-migration, high educational attainment, and a large concentration of high-wage jobs. With an unemployment rate of 2.5%, 160 basis points (bps) below the national rate of 4.1%, the Fayetteville-Springdale-Rogers MSA maintains one of the tightest job markets in the nation. The area is home to the headquarters of the world's largest retailer, the world's leading poultry and beef producer, and the country's largest publicly owned truckload carrier with Walmart, Tyson Foods, and J.B. Hunt Transportation Services.

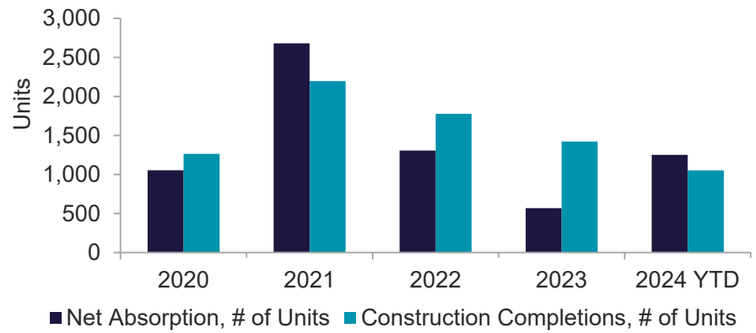
MULTIFAMILY SUPPLY AND DEMAND

Strong net occupancy gains persisted in 2024 with more than 1,250 units absorbed year-to-date as demand outpaced the new supply that delivered. In turn, the stabilized occupancy rate remained high. After decreasing modestly in recent quarters, Northwest Arkansas ended Q3 at 95.0% stabilized occupancy—which excludes properties still in initial lease-up—marking the tightest the market has been in five quarters.

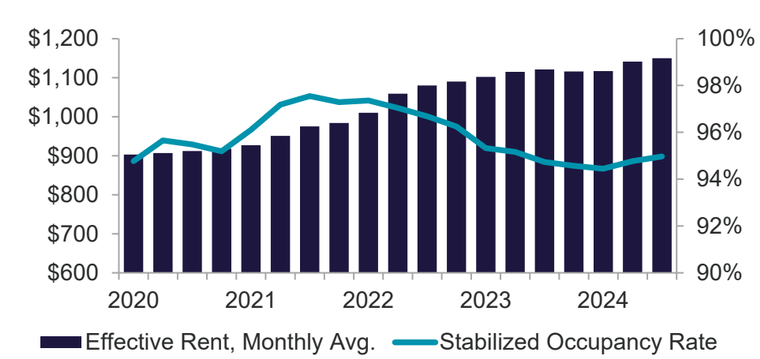
Effective rents also reached a historic high of $1,150 per unit, a 28.3% increase over the past five years driven by a steady infusion of new inventory in response to record-breaking tenant demand. By comparison, the average home price in Benton County climbed 72.5% over the same time. Despite this, Northwest Arkansas remains an affordable market among its Southeast peers.

No multifamily construction starts were recorded in Q3, only the third quarter since 2018 to record zero groundbreakings. Four projects completed construction during the quarter, delivering 487 units to the market and bringing the annual total of new supply to 1,052 units. Work remained underway on 2,716 units across 14 buildings concentrated in Bentonville, Rovers, and Springdale. Though home starts have also slowed, 2,497 total lots were absorbed through the first half of 2024, the most since H2 2020. Owner occupied properties across Benton, Madison, and Washington Counties have gradually declined.

DEMAND / DELIVERIES



STABILIZED OCCUPANCY & EFFECTIVE RENT



LOCAL ECONOMIC ANNOUNCEMENTS

- $700M Mercy and Alice Walton Foundation partnership to improve access to healthcare
- NW Arkansas Skyline Report released; 20th anniversary
- Walton Family Entity purchased 2,700 acres in Bella Vista

Sources: Moody's, CoStar, Arvest Bank/CBER, Cushman & Wakefield Research

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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
North Creekside Apartments	July 2024	PHD Investments	HPP Equity	195	$13.9M | $66,410	1974
Hillcrest Village	Apr 2024	Developing Equity LLC	Block RE	157	Confidential	2023

UNDER LOI



THE BENTON
Pea Ridge, AR | 150 Units | Under LOI

CURRENT LISTING



SUMMIT TOWNHOMES
Rogers, AR | 70 Units | Built 2021

UNDER LOI



HAWTHORNE HEIGHTS
Bentonville, AR | 54 Units | Built 2023 | Under LOI

RECENTLY SOLD



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

Sources: RCA, CoStar, Cushman & Wakefield Research



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