MARKETBEAT

NW ARKANSAS

MULTIFAMILY Q1 2025



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
95.0% Stabilized Occupancy Rate	▲	▲
336 YTD Net Absorption, units	▲	–
$1,169 Effective Rent, PSF *(Overall, All Property Classes)*	▲	–

ECONOMIC INDICATORS

	YOY Chg	Outlook
311.5K Northwest Arkansas Employment	▲	▲
2.8% Northwest Arkansas Unemployment Rate	▲	▲
$80,400 Northwest Arkansas Median HH Income	▲	▲

Source: BLS

ECONOMY

Nonfarm employment in Northwest Arkansas grew by 2.4% over the past year, more than doubling the national job growth rate. Though the unemployment rate ticked up modestly to 2.8%, it remained 130 basis points below that of the U.S., driven by the headquarters presence of the world's largest retailer—Walmart, the leading poultry and beef producer—Tyson Foods, and a major trucking carrier—J.B. Hunt Transportation Services.

MULTIFAMILY SUPPLY AND DEMAND

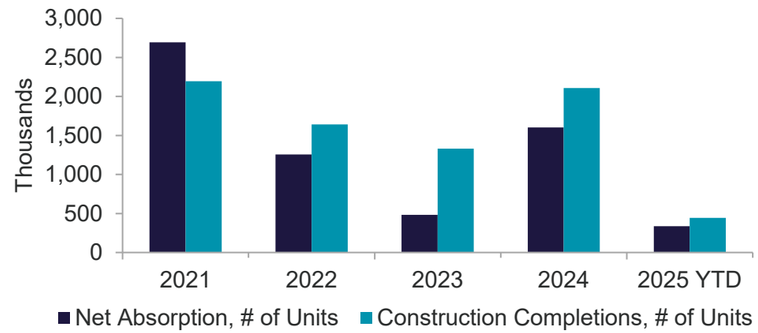
Northwest Arkansas recorded 336 net move-ins throughout the first quarter of 2025, marking 21 consecutive quarters of positive absorption dating back to the start of 2020. In that time, 7,425 units have been absorbed in total. This remained largely on pace with the 8,984 units delivered in that time.

As a consequence, the stabilized occupancy rate—which excludes properties still in their initial lease-up period—was healthy, holding steady in recent quarters at 95.0%. With 36 new residents per day, Northwest Arkansas is the 18th-fastest-growing metro in the U.S. These persistent population increases will continue to drive demand for multifamily product, keeping any occupancy dips transitory as demand remains aligned with new supply.

Three properties completed construction in the first quarter of 2025: The Villas on Turtle Creek (298 units), Hawthorn Grove (86 units), and Coler Crossing (60 units). Following an extended period of robust inventory growth, construction starts have slowed substantially with only one project breaking ground in Q1: Via Emma in Downtown Springdale, a mixed-use development which will include 131 multifamily units. As the pipeline continues to thin and the number of proposed projects converting to active construction dwindles, Northwest Arkansas' occupancy rate will remain competitive for tenants seeking multifamily housing.

Effective rents continued to tick up modestly in recent quarters, though at a more moderated pace than in the past several years. Over the past five years, effective rents have climbed 25.4% per unit. Despite this, Northwest Arkansas remains affordable in comparison to its Southeast peer markets.

DEMAND / DELIVERIES



STABILIZED OCCUPANCY & EFFECTIVE RENT



LOCAL ECONOMIC ANNOUNCEMENTS

- OZ Trails Open First Chairlift-Served Mountain Bike Park
- Walmart's New Home Office: A Milestone for NW Arkansas
- NW Arkansas Vision 2030 Report Outlines Roadmap for Health Care Transformation

Source: Moody's, CoStar, Cushman & Wakefield Research

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KEY RECENT SALE TRANSACTIONS

PROPERTY	DATE SOLD	SELLER	UNITS	PRICE | $ UNIT	COMPLETION DATE
Hawthorne Heights	Feb 2025	Safe Harbor Investments	54	$22.0M | $407,407	2023
The Benton	Feb 2025	HPP Equity	150	$24.8M | $165,333	2024
North Creekside	Jul 2024	HPP Equity	195	$13.0M | $66,410	1974
Hillcrest Village	Apr 2024	Block Real Estate Services	157	$33.3M | $211,975	2023

CURRENT LISTING



LIFE AT ELMWOOD GROVE
Springdale, AR | 192 Units | Built 2001

CURRENT LISTING



ZION 50 LAND
Lowell, AR | 49.35+/- acres

UNDER CONTRACT



HUDSON STEELE TOWNHOMES
Lowell, AR | 78 Units | Built 2025

RECENTLY SOLD



THE BENTON
Pea Ridge, AR | 150 Units | Built 2024

Source: RCA, CoStar, Cushman & Wakefield Research



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