MARKETBEAT

NORTHWEST ARKANSAS

MULTIFAMILY Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
5.1% Stabilized Vacancy Rate	▲	▼
1,319 YTD Net Absorption, units	▲	▲
$1.36 Effective Rent, PSF	▲	▲
$80,800 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
315.6K Fayetteville Employment	▲	▲
2.9% Fayetteville Unemployment Rate	▼	▲
2.3% Fayetteville Household Growth Rate YOY	▲	▲
0.9% U.S. Household Growth Rate YOY	▲	▲

ECONOMY

Northwest Arkansas continues to rank among the fastest-growing metropolitan areas in the country, with an average of 266 new residents per week fueling economic and housing demand. The region benefits from strong in-migration, a diversified economy, and robust capital investment. Major initiatives include the $700 million Heartland Health Alliance—anchored by Mercy, Cleveland Clinic, and the Walton Family—and the revitalization of Downtown Bentonville. Additionally, large-scale developments like Drake Farms in Fayetteville are reshaping the local landscape and attracting talent and investment. The area's reputation as a top-five place to live nationally supports its appeal to both employers and residents.

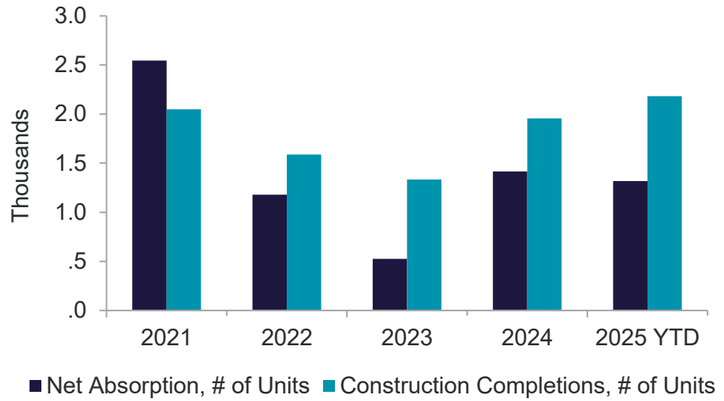
SUPPLY AND DEMAND

The multifamily market in Northwest Arkansas is undergoing a rebalancing phase. After years of elevated construction activity, the number of units under construction has declined sharply, down 59.5% year-over-year (YOY), signaling a slowdown in new supply.

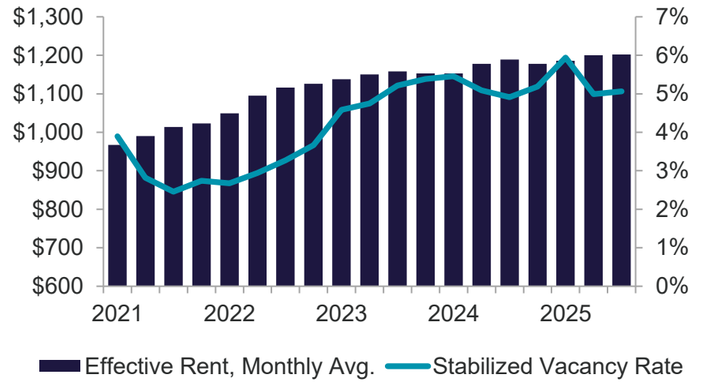
Despite the construction taper, renter demand remains healthy. Year-to-date (YTD) absorption reached 1,319 units through Q3 2025, a 13.4% YOY increase. Stabilized vacancy edged up to 5.1%, a modest 20 basis point increase from the prior year, indicating a relatively balanced market. Submarkets with strong population growth and affordability continue to outperform, helping to absorb new deliveries.

Construction completions totaled 2,181 units YTD, up 84.4% from the same period last year. However, with fewer projects in the pipeline, the market is poised for improved leasing conditions and greater stability in the coming quarters.

DEMAND / DELIVERIES



STABILIZED VACANCY & EFFECTIVE RENT



PRICING

Rent growth remains steady, with the average effective rent reaching $1,202 per unit ($1.36 per square foot) in Q3 2025, relatively unchanged from the previous quarter, but 1.5% higher YOY. This pricing resilience reflects the region's strong demand fundamentals and the appeal of its lifestyle and employment opportunities.

Source: BLS, BOC, Moody's Analytics, CoStar, Cushman & Wakefield Research

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MARKET STATISTICS

KEYSUBMARKETS	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CNSTR (UNITS)	YTD NET ABSORPTION (UNITS)	STABILIZED VACANCY RATE	YOY VACANCY RATE CHANGE (BPS)	AVG EFFECTIVE RENT / UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
Central Benton County	19,041	1,380	12.7%	641	1,177	5.5%	-60	$1,325	$1.45	1.1%
Fayetteville	11,402	0	0.0%	880	-20	5.6%	130	$1,043	$1.24	0.8%
Northeast Washington County	7,220	801	12.5%	208	163	3.6%	-10	$1,166	$1.32	1.5%
Southwest Benton County	739	0	0.0%	0	-1	0.9%	0	$828	$1.02	1.4%
TOTAL	38,409	2,181	8.3%	1,729	1,319	5.1%	20	$1,202	$1.36	1.5%

KEY RECENT SALE TRANSACTIONS

PROPERTY	SUBMARKET	SELLER | BUYER	UNITS	YEAR BUILT
The Junction at Rogers	Central Benton County	Mia Rose Holdings | Gurmeet Josan	228	2024
Pinnacle Groves	Central Benton County	McNair Interests | Welltower, Inc.	226	2022
Promenade Commons	Central Benton County	TLC Properties | AndMark Management Company	166	2022
Pure Lowell	Central Benton County	Mia Rose Holdings | Lauth Property Group	152	2023

KEY RECENT CONSTRUCTION DELIVERIES

PROPERTY	SUBMARKET	OWNER/DEVELOPER	UNITS	DELIVERED
Clear Creek Apartments	Northeast Washington County	MRC Development	374	August 2025
The Plaza at Pinnacle Hills	Central Benton County	Hatfield Properties	304	August 2025
The Ramsay	Northeast Washington County	Tradewind Properties	272	July 2025
Lumen Luxury Lofts	Central Benton County	Burrwood Companies	252	July 2025

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THE MULTIFAMILY ADVISORY GROUP

ARKANSAS

RECENTLY SOLD



HAWTHORNE HEIGHTS
Bentonville, AR
54 Units | Built 2022



THE BENTON
Pea Ridge, AR
150 Units | Built 2024



NORTH CREEKSIDE
Fayetteville, AR
195 Units | Built 1971



HILLCREST VILLAGE
Springdale, AR
157 Units | Built 2023

CURRENT LISTINGS



HUDSON STEELE TOWNHOMES
Lowell, AR
72 Units | Built 2025



MOUNT COMFORT TOWNHOMES
Fayetteville, AR
13 Units | Built 2022



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



THE ELEMENT
Fayetteville, AR
124 Units | Under Construction

THE ARKANSAS TEAM BROKER CONTACTS



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