MARKETBEAT

NORTHWEST ARKANSAS

MULTIFAMILY Q1 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
7.7% Market Vacancy Rate	▲	–
302 YTD Net Absorption, units	▲	–
$1.37 Effective Rent, PSF	–	–
$86,400 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
321.8K Fayetteville Employment	▲	▲
3.2% Fayetteville Unemployment Rate	▲	▲
2.4% Fayetteville Household Growth Rate YOY	▲	▲
0.8% U.S. Household Growth Rate YOY	▲	▲

Source: BLS Q4 2025, BOC, Moody's Analytics, CoStar, Cushman & Wakefield Research

SUPPLY AND DEMAND

Northwest Arkansas' multifamily market entered 2026 with improving fundamentals as demand rebounded and new supply moderated meaningfully following a period of elevated development activity. Following a recent peak in 2025, construction activity began to normalize, with units under construction totaling just over 3,150 units in Q1 2026, down nearly 20.0% year-over-year (YOY). While still above historical norms, the declining pipeline reflected a shift toward a more sustainable development pace. Deliveries slowed considerably to just over 200 units during Q1 2026, a sharp pullback from nearly 615 units delivered in the prior quarter and below recent peak levels. This moderation in new supply has begun to alleviate pressure on market fundamentals and is helping to restore balance between supply and demand.

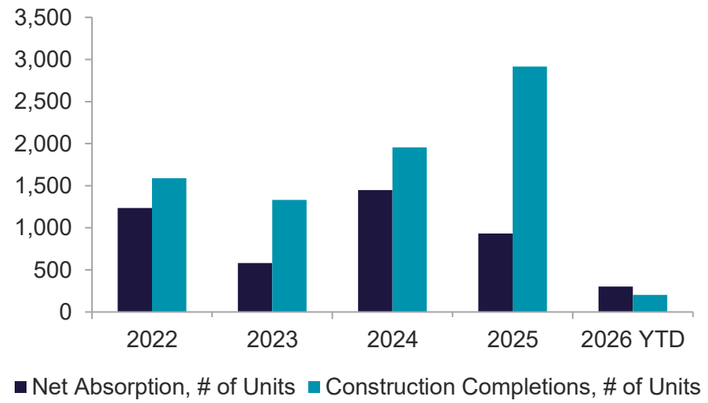
Demand strengthened to start the year, with net absorption totaling just over 300 units in Q1 2026, a notable improvement from -189 units in Q4 2025 and well above the 89 units absorbed one year ago. The return to positive absorption signals renewed leasing momentum and improved renter demand across the region. Performance varied by submarket, with Northeast Washington County (+179) leading absorption gains.

Market vacancy rose to 7.7%, increasing 40 basis points (bps) quarter-over-quarter and 170 bps YOY. While vacancy has trended upward due to prior supply deliveries, the pace of increase is moderating, and remained within a manageable range relative to historical norms for a high-growth market. With construction activity easing coupled with occupancy gains, vacancy is expected to stabilize in the near term as the market continues to digest recent supply.

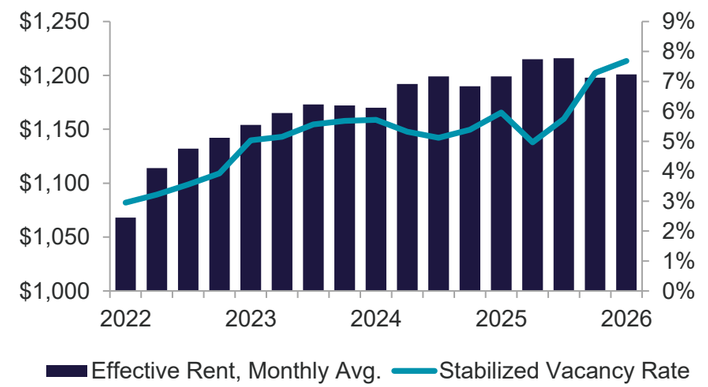
PRICING

Effective rents remained stable in Q1 2026, reflecting a market that is transitioning toward equilibrium following recent supply-driven softness. Average effective rents reached $1,201 per unit and $1.37 per square foot, relatively unchanged YOY. At the submarket level, performance remained varied, with higher rents concentrated in Central Benton County, while more affordable submarkets such as Southwest Benton County continued to offer competitive pricing alongside tighter vacancy conditions. While rent growth has moderated compared to prior peak levels, pricing remains elevated relative to historical benchmarks, supported by the region's strong population growth, employment expansion, and sustained in-migration trends.

DEMAND / DELIVERIES



MARKET VACANCY & EFFECTIVE RENT



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MULTIFAMILY Q1 2026

MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CNSTR (UNITS)	YTD NET ABSORPTION (UNITS)	MARKET VACANCY RATE	YOY VACANCY RATE CHANGE (BPS)	AVG EFFECTIVE RENT / UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
Central Benton County	19,499	50	0.3%	1,778	129	6.6%	70	$1,302	$1.43	0.1%
Fayetteville	11,888	152	1.3%	1,233	-3	8.0%	-30	$1,075	$1.30	-0.2%
Northeast Washington County	7,685	0	0.0%	151	179	10.5%	790	$1,179	$1.33	0.7%
Southwest Benton County	739	0	0.0%	0	-3	1.6%	70	$853	$1.04	2.7%
TOTAL MARKET	**39,811**	**202**	**0.5%**	**3,162**	**302**	**7.7%**	**170**	**$1,201**	**$1.37**	**0.2%**

KEY RECENT TRANSACTIONS

PROPERTY	SUBMARKET	UNITS	YEAR BUILT
Remington Park Apartments	Southwest Benton County	108	2003
Springdale Estates	Northeast Washington County	103	2000
Crutcher Apartments	Northeast Washington County	97	2002
Lowell Road Apartments	Northeast Washington County	84	2005
Powell Apartments	Northeast Washington County	56	2001
Cheema Village	Northeast Washington County	55	2005

KEY RECENT CONSTRUCTION HIGHLIGHTS

PROPERTY	SUBMARKET	UNITS	DELIVERY
Via Emma	Northeast Washington County	151	Q2 2026
The Arden	Fayetteville	379	Q2 2026
Trails on the Creek Apartments	Fayetteville	324	Q2 2026
Willow Creek Apartments	Central Benton County	210	Q3 2026
Drake Farms	Fayetteville	229	Q3 2026
Heights at Magnolia Farms	Central Benton County	198	Q4 2026
Main & A	Central Benton County	221	Q2 2027

OUTLOOK

- Strong economic momentum and national recognition as a top-performing metro are expected to sustain in-migration and household formation, supporting long-term multifamily demand.
- Continued expansion of major employers and the region's retail, logistics, and technology ecosystem will drive job growth, reinforcing renter demand and supporting occupancy stability.
- Quality-of-life and institutional investments are enhancing the region's ability to attract and retain a skilled workforce, further underpinning renter demand across a range of price points.

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