MARKETBEAT

NORTHWEST ARKANSAS

MULTIFAMILY Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
8.2% Market Vacancy Rate	▲	▼
1,369 YTD Net Absorption, units	▲	▲
$1.35 Effective Rent, PSF	▼	▲
$89,100 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
308.4K Fayetteville Employment	▲	▲
3.3% Fayetteville Unemployment Rate	▲	▲
1.9% Fayetteville Household Growth Rate YOY	▼	▲
0.4% U.S. Household Growth Rate YOY	▼	▲

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

SUPPLY AND DEMAND

Northwest Arkansas' multifamily market remained active during Q2 2026 as strong renter demand continued to absorb a substantial volume of new supply. While development activity remained elevated relative to historical norms, the construction pipeline continued to contract, with 3,577 units under construction at quarter-end, down 9.3% quarter-over-quarter (QOQ) and 20.7% year-over-year (YOY). Deliveries accelerated to 776 units during Q2 2026, bringing first-half deliveries to 978 units, roughly in line with the pace recorded during the first half of 2025.

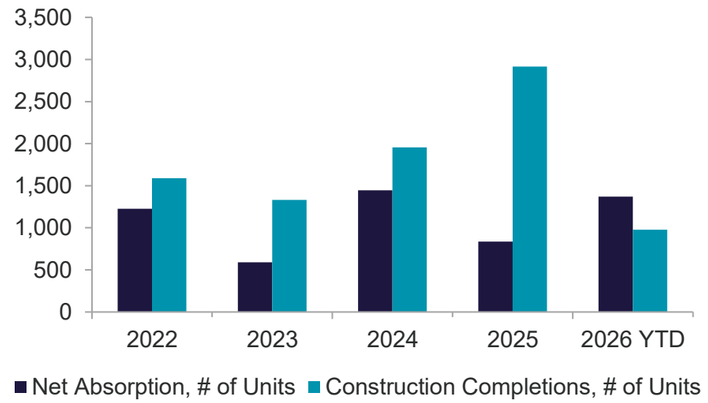
Leasing activity strengthened considerably during Q2 2026. Net absorption totaled almost 1,100 units, nearly four times the level recorded in Q1 2026 and the strongest quarterly demand performance in several years. First-half absorption reached 1,369 units, surpassing the same period in 2025 by 61.1% and underscoring the market's resilience amid elevated supply additions. Demand was concentrated in Central Benton County (+796 units), Northeast Washington County (+360 units) and Fayetteville (+218 units), which accounted for the majority of absorption through midyear.

Market vacancy registered 8.2% in Q2 2026, increasing 30 basis points (bps) QOQ and 320 bps YOY. While vacancy continued to reflect the cumulative impact of recent deliveries, strong absorption helped limit additional upward pressure in Q2. Vacancy remained lowest in Southwest Benton County (2.3%), where limited inventory and minimal development activity supported occupancy. Meanwhile, Central Benton County reported a relatively healthy 7.2% vacancy rate and accounted for more than half of the market's absorption through midyear. Overall, strong absorption and a declining construction pipeline suggested the market continued to make progress in absorbing a substantial wave of recent deliveries.

PRICING

Rent performance remained relatively stable during Q2 2026 as strong demand helped offset ongoing supply-side pressures. Effective rents averaged $1,187 per unit and $1.35 per square foot, increasing modestly from Q1 2026 but remaining 2.0% below the year-ago level. Despite the annual decline, rents remained largely unchanged over the past year, reflecting a market that maintained pricing stability amid elevated levels of new construction. Performance varied across submarkets. Southwest Benton County recorded the strongest annual rent growth at 3.3%, while rent growth in Central Benton County remained pressured by elevated supply levels despite generating the market's strongest demand. Although rent growth remained below the levels recorded during the market's recent expansionary period, pricing held relatively steady as demand kept pace with a substantial volume of new supply.

DEMAND / DELIVERIES



MARKET VACANCY & EFFECTIVE RENT



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NORTHWEST ARKANSAS
MULTIFAMILY Q2 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%	2,419	796	7.2%	210	$1,268	$1.39	-2.9%
Fayetteville	12,617	777	6.6%	880	218	7.7%	150	$1,100	$1.33	-0.1%
Northeast Washington County	7,892	151	2.0%	78	360	12.0%	890	$1,155	$1.30	-2.5%
Southwest Benton County	739	0	0.0%	200	-6	2.3%	120	$861	$1.05	3.3%
TOTAL MARKET	**40,747**	**978**	**2.5%**	**3,577**	**1,369**	**8.2%**	**320**	**$1,187**	**$1.35**	**-2.0%**

KEY RECENT TRANSACTIONS

PROPERTY	SUBMARKET	UNITS	YEAR BUILT
The Patio Homes at Springdale	Northeast Washington County	56	2018
Ranch at Pinnacle Point	Central Benton County	392	2007
Remington Park Apartments	Southwest Benton County	108	2003
Mariner Pointe	Fayetteville	110	2007
Emma Park Apartments	Northeast Washington County	103	2000
Palisades at Pleasant Crossing	Central Benton County	396	2016

KEY RECENT CONSTRUCTION HIGHLIGHTS

PROPERTY	SUBMARKET	UNITS	DELIVERY
High South Luxury Apartments	Fayetteville	324	Q1 2027
The Reserve at Bentonville Apartments	Central Benton County	312	Q3 2027
Concord Commons Apartments	Central Benton County	250	Q4 2027
Midcity Commons	Central Benton County	236	Q3 2027
Drake Farms	Fayetteville	229	Q3 2026
Main & A	Central Benton County	221	Q2 2027
Willow Creek Apartments	Central Benton County	216	Q4 2026

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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