

MARKETBEAT
NORTHWEST ARKANSAS
MULTIFAMILY Q3 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
8.2% Market Vacancy Rate (Market vacancy excludes properties in lease-up)	▲	▼
1,768 YTD Net Absorption, units	▲	▲
$1.34 Effective Rent, PSF	▼	▲
$89,900 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
309.5K Fayetteville Employment	▲	▲
3.2% Fayetteville Unemployment Rate	▼	▲
2.1% Fayetteville Household Growth Rate YOY		
0.5% U.S. Household Growth Rate YOY		

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

SUPPLY AND DEMAND

Northwest Arkansas' multifamily market advanced through the third quarter 2026 with renter demand running ahead of new supply. Net absorption totaled 514 units for the quarter, lifting year-to-date (YTD) net absorption to 1,768 units. That total was 53.2% above the same period in 2025, exceeded the full-year result in each of the past four years and topped YTD construction completions, a sharp reversal from the first nine months of 2025, when completions were roughly double net absorption. Leasing was concentrated in Central Benton County and Fayetteville, which together accounted for more than three-quarters of the YTD total.

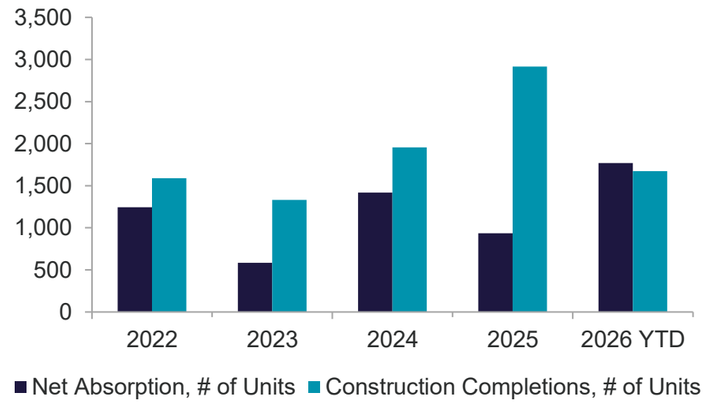
Development activity continued to moderate. Construction completions totaled 694 units for the quarter, bringing the YTD figure to 1,672 units, or 27.4% below the level of a year earlier. Units under construction stood at 3,312 at quarter-end, down 6.9% quarter-over-quarter (QOQ) and 7.4% year-over-year (YOY). Central Benton County held nearly three-quarters of that pipeline, whereas Fayetteville's narrowed by more than half QOQ as projects reached completion. The submarket received 556 of the quarter's 694 completions yet also captured 354 of the market's 514 units of net absorption, evidence of deep renter appetite for new product.

Market vacancy registered 8.2%, up 10 basis points (bps) QOQ and 240 bps YOY. The annual increase narrowed from the 320 bps recorded in the second quarter. Market vacancy declined QOQ in Fayetteville and Northeast Washington County, the latter still the highest-vacancy submarket. Fayetteville tightened even as its inventory expanded 11.6% YTD. Southwest Benton County remained the most tightly occupied submarket, while Central Benton County, the market's largest source of YTD net absorption, recorded a QOQ increase. Taken together, a contracting pipeline and demand outpacing completions positioned the market to keep working through recent supply.

PRICING

Effective rents averaged $1,185 per unit and $1.34 per square foot, a 2.9% YOY decline. Rents ranged from $1,185 to $1,221 per unit across the past seven quarters, a pattern consistent with a market absorbing new supply without sharp erosion. Declines in Central Benton County, Fayetteville and Northeast Washington County were tightly grouped between 2.7% and 3.3%, with Fayetteville's the mildest despite carrying the heaviest new supply. Southwest Benton County was the lone submarket to post YOY rent growth, at 1.7%. A smaller construction pipeline should ease supply-side pressure on rents in the coming quarters.

DEMAND / DELIVERIES



MARKET VACANCY & EFFECTIVE RENT



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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	19,750	110	0.6%	2,468	783	8.1%	270	$1,272	$1.39	-3.0%
Fayetteville	12,857	1,333	11.6%	402	599	6.9%	80	$1,086	$1.31	-2.7%
Northeast Washington County	7,970	229	3.0%	242	408	10.9%	410	$1,150	$1.29	-3.3%
Southwest Benton County	739	0	0.0%	200	-22	4.7%	260	$854	$1.04	1.7%
TOTAL MARKET	**41,316**	**1,672**	**4.2%**	**3,312**	**1,768**	**8.2%**	**240**	**$1,185**	**$1.34**	**-2.9%**

KEY RECENT TRANSACTIONS

PROPERTY	SUBMARKET	UNITS	YEAR BUILT
The Fitzroy Grove	Central Benton County	250	2022
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

KEY RECENT CONSTRUCTION HIGHLIGHTS

PROPERTY	SUBMARKET	UNITS	DELIVERY
The Emerald	Central Benton County	256	Q4 2028
The Reserve at Bentonville Apartments	Central Benton County	312	Q3 2027
High South Luxury Apartments	Fayetteville	324	Q1 2027
Main & A	Central Benton County	221	Q1 2027
28 Springs	Southwest Benton County	200	Q1 2027
Willow Creek Apartments	Central Benton County	216	Q4 2026
Drake Farms	Fayetteville	229	Q4 2026

OUTLOOK

- Strong economic momentum, continued employer expansion and quality-of-life investments are expected to sustain in-migration and household formation, supporting long-term multifamily demand across a range of price points.
- A contracting construction pipeline and slower completions are expected to ease supply pressure, giving the market room to work through recent supply and supporting a more balanced occupancy picture.
- Net absorption outpacing construction completions should support vacancy stabilization over the coming quarters, particularly in submarkets where recent supply is leasing up, such as Fayetteville.

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