



**GREA**

Q3 2022



# NW ARKANSAS

## MULTIFAMILY SUBMARKET REPORT

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# NW ARKANSAS

Multifamily Market Report

# Q3 2022



## MARKET INVENTORY



94.6%

Current Occupancy Rate



122

Properties



9,237

Units



\$127,212

Avg. Price/Unit



\$1,098

Avg. Rent/Unit

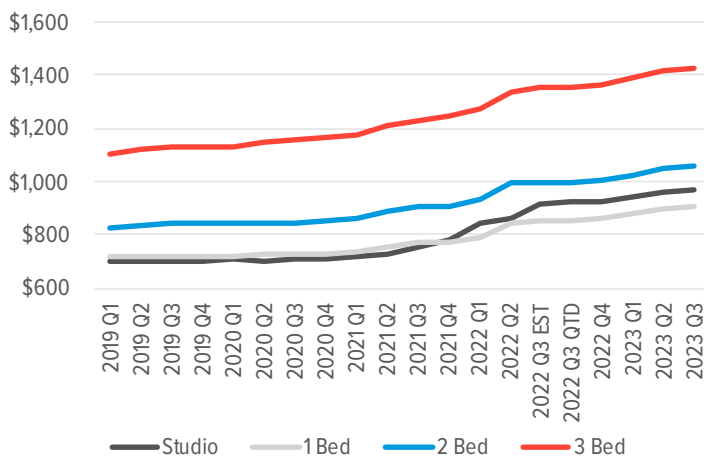
## Submarket Overview

NW Arkansas has benefited from a wave of demand over the past eighteen months. Net absorption set a record last year with 2,500 units filled, the highest reported in the market, and vacancy rates compressed to their lowest point since 2016. Year-over-year job gains in NW Arkansas have outpaced the national average since 2010. As a result, out-of-state capital continues to enter the market, and sales volume has been nothing short of astonishing.

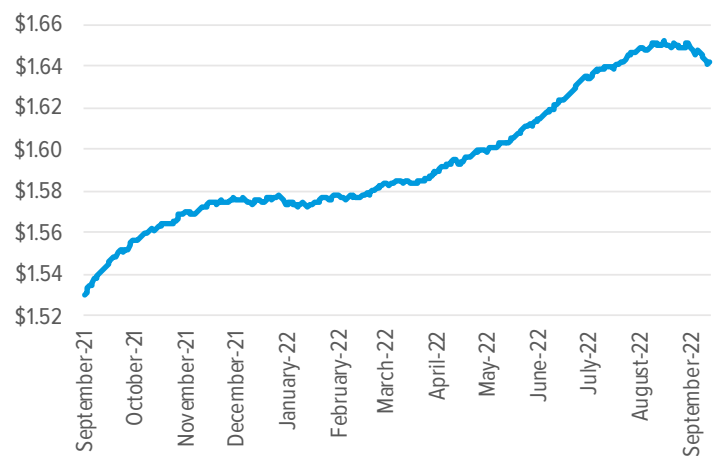
## Rent Growth

According to CoStar research, Rent growth in Rogers has accelerated with rising demand in 2022. With several new communities coming to market, renters' response has been overwhelmingly positive. Growth is prevalent across the spectrum with Class A properties capturing the best rent growth on record. Rents in Rogers and the greater NW Arkansas region remain affordable at \$980/month average. With a slow down in new construction over the twelve months, rent growth is expected to remain healthy, but below record performances set in 2021.

Market Rent Per Unit by Bedroom



Daily Asking Rent/SF

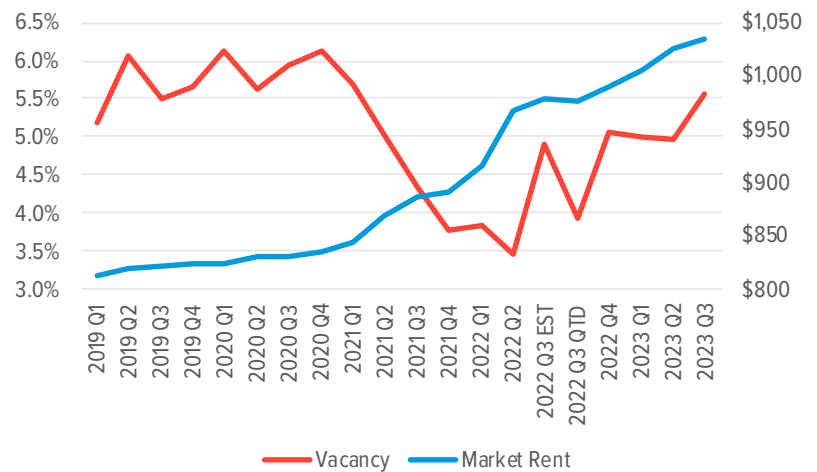


## Vacancy

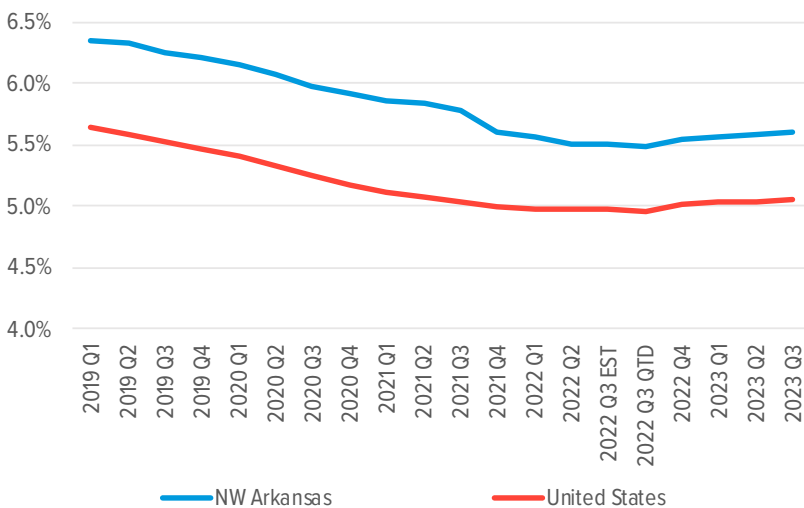
Vacancy rates remain near their lowest rate since 2016. With high demand and low availability, developers have taken notice; from 2015 to 2020, multifamily inventory in the region has grown 30%.

More projects are on the way with nearly 2,400 units currently under construction and many in proposal stages as well. Most deliveries are in the rear-view mirror and as new properties lease up, vacancy rates will continue to stabilize in the next 12 to 24 months.

## Vacancy & Market Asking Rent/Unit



## Market Cap Rate

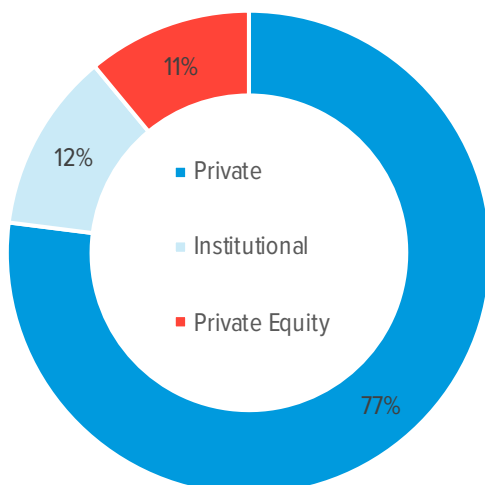


## Sales Trends

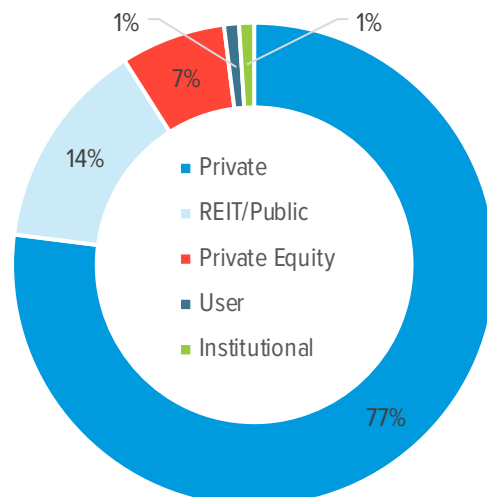
Investment activity in Rogers and NW AR accelerated in 2021, registering \$521 million across the entire region. Rising demand for multifamily assets pushed the average price per unit higher, up 17% year-over-year.

Among the largest trades in the past year, 396-unit Palisades at Pleasant Crossing traded for \$72 million, or \$181,200/unit. The property located in Rogers, was built in 2016. The 360-unit Mountain Ranch community in Fayetteville was sold by BSR Real Estate Investment Trust for \$49.5 million (\$137,500/unit).

## Sales Volume by Buyer Type (Past 3 Years)



## Sales Volume by Seller Type (Past 3 Years)



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