

COMMERCIAL REAL ESTATE REPORT Q4 2023

Fayetteville-Springdale-Rogers, AR Metro Area

Select a Metro Area
Fayetteville-Springdale-Rogers, AR

Demographics and Economy

Demographics

3.3%	36.6%	9.8%	Net Migration in Arkansas
population growth (2022)	share of renters (2022)	renter household formation (2022)	22,202 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	22,056 (2022)

Economy

9.9%	10,100	3.3%	10.1%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$55,080	2.3%	13.8%	International Migration in Arkansas
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	4,096 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	3,215 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	381,553	387,592	1.8%	\$23	5.9%
2022 Q4	141,141	486,091	6.0%	\$23	6.4%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	23,655,496	258,101	291,608	\$21.21M	10.0%
2022 Q4	23,363,888	309,271	467,777	\$61.97M	9.6%

2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	194	842	1.5%	\$1,048	\$1,040	6.5%
2022 Q4	275	1,410	9.9%	\$1,032	\$1,026	4.9%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo		Market Cap Rate	
2023 Q4	40,585	286	1,560		6.2%	
2022 Q4	39,025	436	1,869		5.7%	

3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	279,465	368,675	4.7%	\$18	2.8%
2022 Q4	173,115	667,295	5.5%	\$17	3.1%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	36,438,322	6.8%	\$35.90M	\$301	
2022 Q4	36,186,340	6.9%	\$49.11M	\$165	

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-71,441	-257,107	8.3%	\$8	3.2%
2022 Q4	-4,624	2,199,665	11.4%	\$8	1.2%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	47,030,623	333,000	701,066	8.5%	\$6.89M
2022 Q4	46,329,557	39,667	506,509	8.2%	\$27.93M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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COMMERCIAL REAL ESTATE REPORT Q4 2023

Little Rock-North Little Rock-Conway, AR Metro Area

Select a Metro Area
Little Rock-North Little Rock-Conway

Demographics and Economy

Demographics

1.1%	37.1%	5.7%	Net Migration in Arkansas
population growth (2022)	share of renters (2022)	renter household formation (2022)	22,202 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	22,056 (2022)

Economy

8.4%	4,400	1.2%	14.2%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$53,030	3.0%	10.3%	International Migration in Arkansas
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	4,096 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	3,215 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	81,212	-118,239	1.6%	\$19	8.1%
2022 Q4	85,353	-467,914	4.5%	\$18	7.8%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	38,817,727	0	600	\$14.68M	10.7%
2022 Q4	38,817,127	24,220	22,715	\$47.45M	10.2%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	-134	-486	2.3%	\$970	\$962	9.7%
2022 Q4	-549	-943	6.2%	\$948	\$940	8.3%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo		Market Cap Rate	
2023 Q4	50,477	0	231		6.9%	
2022 Q4	50,246	0	288		6.3%	

3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	154,899	335,469	4.6%	\$16	3.0%
2022 Q4	10,926	681,037	5.7%	\$15	3.3%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	56,579,511	7.5%	\$36.75M	\$343	
2022 Q4	56,385,426	7.5%	\$71.35M	\$157	

4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	942,802	1,123,675	8.1%	\$7	3.4%
2022 Q4	59,236	4,306,334	11.6%	\$6	2.6%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	82,700,350	1,221,768	1,851,173	8.1%	\$14.90M
2022 Q4	80,849,177	9,600	3,609,600	7.7%	\$36.89M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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