

# COMMERCIAL REAL ESTATE REPORT Q3 2022

Fayetteville-Springdale-Rogers, AR Metro Area

## Demographics and Economy

### Demographics

<b>2.0%</b>	<b>34.9%</b>	<b>-3.3%</b>	<b>53.4%</b>
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

### Economy

<b>3.0%</b>	<b>13,500</b>	<b>4.9%</b>	<b>6.5%</b>
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
<b>\$48,896</b>	<b>2.5%</b>	<b>17.0%</b>	<b>43.1%</b>
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 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 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	67,141	585,697	3.1%	\$22	5.9%
Q3 2021	16,238	17,683	2.8%	\$22	7.8%

  

	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	22,653,298	6,000	154,128	\$104,955,608	8.6%
Q3 2021	22,499,170	120,000	418,809	\$39,393,448	8.9%

### 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
Q3 2022	585	1,334	11.0%	\$990	\$985	3.9%
Q3 2021	905	2,832	6.7%	\$892	\$887	4.3%

  

	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate
Q3 2022	38,713	810	1,243	5.4%
Q3 2021	37,470	688	2,365	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
Q3 2022	63,835	679,099	5.6%	\$17	3.4%
Q3 2021	256,231	456,174	3.9%	\$16	4.5%

  

	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF
Q3 2022	35,419,524	6.9%	\$47,101,804	\$372
Q3 2021	35,097,765	7.1%	\$60,994,688	\$161

### 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
Q3 2022	583,933	1,952,125	13.3%	\$7	1.1%
Q3 2021	412,853	-587,937	8.7%	\$7	5.0%

  

	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	45,628,451	100,000	174,462	7.8%	\$19,000,000
Q3 2021	45,453,989	275,000	-879,131	7.8%	\$31,599,000

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

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# COMMERCIAL REAL ESTATE REPORT Q3 2022

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

## Demographics and Economy

### Demographics

<b>0.3%</b>	<b>35.2%</b>	<b>1.5%</b>	<b>50.9%</b>
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

### Economy

<b>-0.2%</b>	<b>9,900</b>	<b>2.7%</b>	<b>5.4%</b>
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
<b>\$46,310</b>	<b>3.5%</b>	<b>11.3%</b>	<b>42.6%</b>
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 2022)

## Commercial Real Estate by Sector

### 1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak 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
Q3 2022	-124,684	-260,252	2.7%	\$18	7.8%
Q3 2021	99,916	-355,941	3.1%	\$18	7.0%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	38,329,267	0	21,200	\$21,875,064	8.9%
Q3 2021	38,308,067	24,500	61,896	\$42,460,700	8.9%

### 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
Q3 2022	-369	-153	6.9%	\$930	\$924	6.2%
Q3 2021	280	1,758	6.6%	\$869	\$865	5.1%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
Q3 2022	49,141	0	424	5.9%		
Q3 2021	48,717	108	947	6.1%		

### 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
Q3 2022	162,883	692,700	6.0%	\$15	3.3%
Q3 2021	4,642	332,455	3.7%	\$14	4.2%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
Q3 2022	55,849,684	7.5%	\$90,180,584	\$110	
Q3 2021	55,621,539	7.7%	\$55,607,848	\$94	

### 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
Q3 2022	-303,274	3,900,011	13.2%	\$6	3.0%
Q3 2021	716,641	1,568,645	8.2%	\$5	3.5%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	80,558,782	200,000	3,618,000	7.3%	\$40,560,264
Q3 2021	76,940,782	319,160	1,541,265	7.2%	\$60,203,948

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

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