

MARKETBEAT

CENTRAL ARKANSAS

MULTIFAMILY Q2 2025



MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
10.1% Stabilized Vacancy Rate	▲	▼
241 YTD Net Absorption, units	▲	▲
\$1.14 Effective Rent, PSF	▬	▲
\$69,700 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
401.3K Little Rock Employment	▲	▲
3.5% Little Rock Unemployment Rate	▲	▲
1.0% Little Rock Household Growth Rate YOY	▲	▲
0.9% U.S. Household Growth Rate YOY	▲	▲

ECONOMY

Little Rock outpaced national job growth over the past year, expanding by 1.4%—adding approximately 5,600 jobs—compared to the national average of 1.1%. Key sectors driving growth include leisure and hospitality, healthcare, and transportation and utilities. The region is home to 20 colleges and universities, including the University of Arkansas for Medical Sciences (UAMS), UA Little Rock, and the University of Central Arkansas (UCA), which support a highly skilled workforce. The Little Rock Air Force Base contributes economic stability, while the Port of Little Rock strengthens the manufacturing and logistics sectors, leveraging the city’s central location and robust infrastructure. Unemployment rose modestly by 20 basis points (bps) year-over-year (YOY), reaching 3.5% at the end of Q2 2025, yet remains well below the national average of 4.2%.

SUPPLY AND DEMAND

The multifamily market is in a period of transition, with steady renter demand and a tapering construction pipeline helping to rebalance conditions. While vacancy in stabilized properties stood at 10.1% in Q2 2025, new construction has added pressure, particularly during lease-up phases. Suburban submarkets like Conway, Lonoke County, and Saline County continue to outperform, with vacancies below 5%, highlighting the strength of population growth and affordability in these areas.

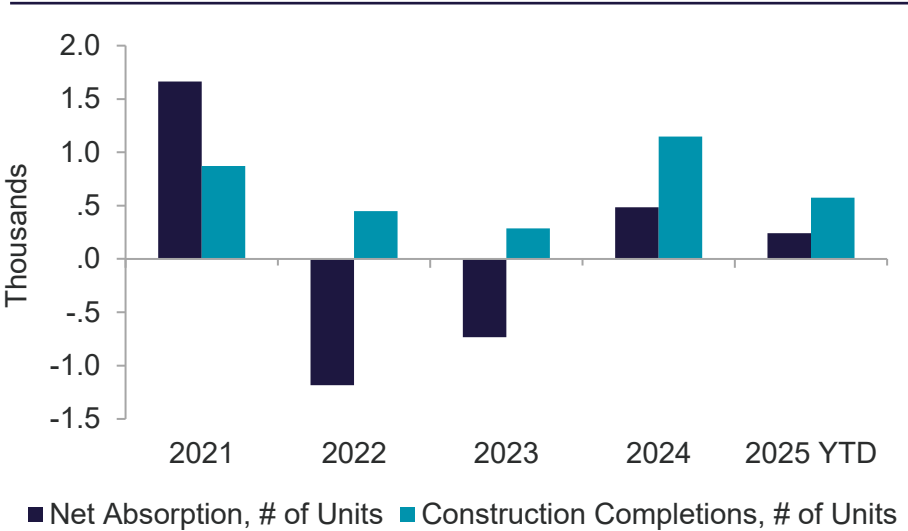
Multifamily absorption has shown signs of recovery following a challenging stretch. After seven consecutive quarters of negative absorption from mid-2022 through 2023, the market turned a corner in 2024. In the first half of 2025, absorption totaled 241 units, reflecting gradual improvement in renter demand. While still below pre-pandemic highs, this momentum suggests a stabilizing market environment as economic conditions improve, and new supply slows.

As of mid-2025, no multifamily projects are under construction in Central Arkansas. With the recent deliveries of The Resort at Rockwater and The Flats at Soma, the market now enters a pause in new development. This lull offers a valuable window for absorption, helping to stabilize vacancy rates and support healthier leasing conditions.

PRICING

Pricing remains stable, with the average rent at \$1,013 per unit and \$1.14 per square foot, consistent with trends observed over the past nine quarters. This pricing resilience, despite elevated vacancy, underscores the strength of underlying demand and the market’s ability to adapt.

DEMAND / DELIVERIES



STABILIZED VACANCY & EFFECTIVE RENT



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

MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CNSTR (UNITS)	YTD NET ABSORPTION (UNITS)	STABILIZED VACANCY RATE	YOY VACANCY RATE CHANGE (BPS)	AVG EFFECTIVE RENT / UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
Central East	2,627	208	8.6%	0	-4	9.7%	198	\$992	\$1.23	-2.2%
Conway	8,513	0	0.0%	0	73	4.5%	188	\$918	\$1.02	0.1%
Jacksonville/Sherwood	3,962	0	0.0%	0	-39	8.2%	78	\$803	\$0.90	3.6%
Lonoke County	1,947	0	0.0%	0	1	4.7%	38	\$978	\$1.05	4.5%
Midtown/Hillcrest	7,136	0	0.0%	0	-32	15.6%	257	\$991	\$1.14	2.1%
Maumelle	4,242	0	0.0%	0	-28	7.1%	230	\$1,090	\$1.17	3.3%
North Little Rock	8,621	365	4.4%	0	7	13.8%	-115	\$1,106	\$1.27	-1.7%
Saline County	3,577	0	0.0%	0	-6	4.1%	285	\$987	\$1.17	4.3%
Southwest University	9,833	0	0.0%	0	88	12.8%	-74	\$950	\$1.08	0.3%
West Little Rock	9,482	0	0.0%	0	181	10.5%	-88	\$1,144	\$1.25	-1.3%
TOTAL MARKET	59,940	573	1.0%	0	241	10.1%	63	\$1,013	\$1.14	0.5%

KEY RECENT SALE TRANSACTIONS

PROPERTY	SUBMARKET	SELLER BUYER	UNITS	YEAR BUILT
Georgetown Apartments	Midtown/Hillcrest	Ferguson Property Group Interurban Companies	156	1970
Lanai Apartments	Midtown/Hillcrest	Tyler Turchi Arek Boynerian	72	1959
Argenta Square Apartments	North Little Rock	Eagle Rock Realty Pro Capital Group	57	2002
Hillview Village Apartments	North Little Rock	Darrell W Robinson Landmarque National	56	2005

KEY RECENT CONSTRUCTION DELIVERIES

PROPERTY	SUBMARKET	OWNER/DEVELOPER	UNITS	DELIVERED
The Resort at Rockwater	North Little Rock	Pace Burt Developers	365	May 2025
The Flats at Soma	Central/East	Moses Tucker Partners	208	May 2025

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