

WILLISTON, ND

INDUSTRIAL



Vacancy rates kicked off 2023 at around 10%. As we close out the year, that number has been cut in half to 5%. As vacancy rates have dropped, rental rates have steadily increased, rising from around \$12 PSF at the start of the year to a current asking rate of over \$13 PSF. It is estimated that only around 315,000 SF of total inventory remain available in the market. Additionally, there are only a handful of stand-alone shops available, most of which are very large (>40,000 SF), not centrally located, or serve a narrower use, and therefore attract a limited clientele.

As we move into the new year, ERES expects that there will be very little inventory (outside of lease turnovers) coming online. This is due in large part to macroeconomic factors influencing high costs associated with construction and development. Demand, however, is expected to remain high, indicating that asking rental rates will likely remain on the same upwards trajectory. We estimate that they may reach up to \$15 PSF throughout the next year if the current economic conditions persist.

PERIOD	BLGDS	INVENTORY SF	VACANT SF	VACANT %	OCCUPIED SF	OCCUPIED %	NET ABSORPTION SF	GROSS ABSORPTION SF	AVG RENT PSF
2023 Q4 EST	350	6,226,321	315,671	5.1%	5,910,650	94.9%	121,935	-	-
2023 Q4 QTD	350	6,226,321	312,027	5.0%	5,914,294	95.0%	125,579	133,789	\$13.19
2023 Q3	350	6,226,321	437,606	7.0%	5,788,715	93.0%	44,555	111,200	\$12.44
2023 Q2	350	6,226,321	482,161	7.7%	5,744,160	92.3%	75,572	80,032	\$12.52
2023 Q1	350	6,226,321	557,733	9.0%	5,668,588	91.0%	(36,241)	119,905	\$12.55
2022 Q4	350	6,226,321	521,492	8.4%	5,704,829	91.6%	(23,812)	24,170	\$11.89
2022 Q3	350	6,226,321	497,680	8.0%	5,728,641	92.0%	441,862	548,467	\$11.63
2022 Q2	350	6,226,321	939,542	15.1%	5,286,779	84.9%	161,738	214,063	\$11.66
2022 Q1	350	6,226,321	1,101,280	17.7%	5,125,041	82.3%	(10,502)	125,197	\$11.60



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MULTIFAMILY



Multifamily vacancy rates in the Williston region have dropped considerably from almost 13% at the start of 2023 to a current range of 5-9%. Comparable to other market sectors, rental rates have risen almost 20% over the past 12 months. Traditional seasonal decline (usually around 10%) did not present itself in either 2022 or 2023. Rent rolls have remained strong and there has been far less exposure from short-term/seasonal leases than is typically seen historically.

A shortage of townhomes and single-family homes has created a glaring undersupply of 3 + bedroom rentals available. The market has also seen a lack of furnished, short-term rentals, which has driven up occupancy in long-term stay hotels. Multifamily investment sales were unexpectedly strong in 2023 and ERES proudly closed the largest multifamily deal in North Dakota history.

As we ease into 2024, ERES does not expect to see any new multifamily developments in the foreseeable future. The demand for housing inventory is not expected to subside and rental rates will likely continue to climb into the new year. With only around 500 units currently available, Williams County has already begun actively pursuing solutions to the housing shortage on the horizon.

PERIOD	UNITS	AVG SF	AVG RENT	RENT GROWTH %/YR	VACANT UNITS	VACANCY %	VACANCY GROWTH %/YR	OCCUPIED UNITS	OCCUPIED %	OCCUPANCY GROWTH %/YR
2023 Q4 QTD	6,109	1,024	\$1,205	20.1%	476	7.9%	-8.3%	5,582	92.1%	8.3%
2023 Q3	6,109	1,024	\$1,195	20.3%	499	8.2%	-9.0%	5,559	91.8%	9.0%
2023 Q2	6,109	1,024	\$1,140	20.1%	631	10.4%	-10.0%	5,427	89.6%	10.0%
2023 Q1	6,109	1,024	\$1,081	18.5%	766	12.7%	-11.0%	5,292	87.3%	11.0%
2022 Q4	6,109	1,024	\$1,007	9.2%	942	15.6%	-10.1%	5,116	84.4%	10.1%
2022 Q3	6,109	1,024	\$997	11.2%	1,045	17.2%	-9.1%	5,013	82.8%	9.1%
2022 Q2	6,109	1,024	\$955	7.4%	1,240	20.5%	-7.0%	4,818	79.5%	7.0%
2022 Q1	6,109	1,024	\$925	6.7%	1,435	23.7%	-4.2%	4,623	76.3%	4.2%



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