



# Little Rock, Arkansas:

## The Answer to Investors' Search for Stability



Brian Teeter, *Little Rock Market President, Turnkey Properties*  
Alex Craig, *President of Turnkey Properties*

### Why Little Rock?

Little Rock, Arkansas, may not have the name brand recognition of Orlando, Florida, or Austin, Texas. However, bigger doesn't always mean better, and Little Rock offers stability that can't be found in many larger metropolitan markets. After all, isn't stability one of the golden ticket items we look for as investors?

Little Rock offers a diverse economy, a stable workforce (no boom town swings here), and affordable but steadily growing property values. It's a slow-and-steady, conservative bet that hedges against losing property value.

Little Rock is what you're looking for in a rental market. It's stable, it's safe, and it makes sense.



## Who Lives Here?

Little Rock is the capital city of the state of Arkansas, and the area spans five counties and two cities—Little Rock and North Little Rock. The Little Rock-North Little Rock (LR-NLR) population is just over 265,000 while the overall Pulaski county population is 391,000 and the full metropolitan statistical area population is about 725,000. Approximately 1.1 million people live within a 55-minute drive of LR-NLR. The metro area has seen 15% population growth in the last decade, and the demographics are split—49% White, 42% Black, 7% Hispanic, and 3% Asian.

### People come to and stay in Little Rock for:

- ▶ Low living expenses (11.2% below the national average according to Sperling’s Best Places) [1](#)
- ▶ Low unemployment (1.5 percentage points below the national average) [2](#)
- ▶ A diverse economy (ranked #2 by Moody’s Investor Services) [3](#)
- ▶ Short commutes (average of 17 minutes) [4](#)



By the numbers Little Rock is a typical Southern family market. It offers the stability of a traditional market, with 64% of the population owning and

## Little Rock By the Numbers

- ▶ **Ranked #1** on Kiplinger’s “10 Great Places to Live” list [5](#)
- ▶ **Ranked #2** on Moody’s Investor Services “Most Diverse Regional Economy” [6](#)
- ▶ **Ranked #6** in Gallup’s “America’s Happiest Cities” [7](#)
- ▶ **Ranked #15** in US News’ “Best Affordable Places to Live” [8](#)
- ▶ **Ranked #38** in US News’ overall “Best Places to Live” [9](#)
- ▶ **Ranked #84** on Forbes’ “Top 200 Best Places for Business & Careers” [10](#)
- ▶ **Editor’s Choice** from Outside’s “Best Towns” [11](#)

36% renting. The average household income hovers around the national average at \$58,704. When combined with Little Rock’s lower than average costs of living—Sperling’s reports 87.8 cost of living indices (below the national average of 100)—the city ranks among the most affordable in the nation. Little Rock also offers lower than average unemployment, reporting a 3.7% unemployment rate compared to a 3.9% rate for the state of Arkansas and a 5.2% rate nationwide as of the writing of this report.

The public schools boast higher spending per student and lower student to teacher ratios than the national averages. Little Rock public schools have 14.7 students per teacher and spend \$14,718 per student—more than \$2,300 above the national average.

One of the big draws to Little Rock is the outdoor experiences. The city offers mild winters, with an average of 217 sunny days per year, daily mean temperatures of 61.2 degrees, four seasons, and lots of opportunities to get out and enjoy the climate. Outside named Little Rock Editor's Choice for the "Best Towns" list in 2013 because of the city's scenic beauty and extensive trail system. [12](#)

“Little Rock is a magnetic force. I've encountered a steady stream of young people who grew up here, left at some point to establish or further careers in other cities, and then, upon starting a family, made the decision to move back to Little Rock because they realized that this is the best possible place to raise children.”

– Jeff Hathaway, *Coldwell Banker Commercial Hathaway Group*, in the 2016 Little Rock Chamber of Commerce publication

The Big Dam Bridge, which spans the Arkansas River between Little Rock and North Little Rock, is the longest pedestrian/bicycle bridge in North America. It has never been used by trains or other motorized vehicles and connects 88 miles of trails between Little Rock and North Little Rock. The



trail system is one of the best in the country and connects 38 parks, six museums, and more than 5,000 acres of federal, state, and local parkland.

Major parks in the area include Burns Park, Pinnacle Mountain State Park, and Buffalo National River Park, which is only two hours away. In North Little Rock, Burns Park more than doubles the size of Manhattan's Central Park with 1,700 acres, making it one of the largest municipal parks in the United States. The Buffalo River was the first national river designated by the U.S., and the national park offers camping, canoeing, and more on the bluff-lined river that is one of the few undammed rivers left in the lower 48 states.

People migrate to Little Rock for the family community, economy, and variety of outdoor experiences available. In the 2016 Little Rock Chamber of Commerce publication, Jeff Hathaway of Coldwell Banker Commercial Hathaway Group said, “Little Rock is a magnetic force. I've encountered a steady stream of young people who grew up here, left at some point to establish or further careers in other cities, and then, upon starting a family, made the decision to move back

## Little Rock's Diverse Economy

Domestic and international, for-profit and not-for-profit, civilian and government—there are all kinds in Little Rock. Here are just a few of the big names that call Little Rock home:

- ▶ Acxiom
- ▶ American Taekwondo Association
- ▶ Caterpillar
- ▶ Dassault Falcon Jet
- ▶ Dillard's
- ▶ Heifer International
- ▶ HP
- ▶ Little Rock Air Force Base
- ▶ LM Wind
- ▶ Sage V Foods
- ▶ Saint Gobain
- ▶ Skippy Foods
- ▶ Stephens Inc.
- ▶ Welspun Tubular
- ▶ William J. Clinton Foundation
- ▶ Windstream Communications
- ▶ Winrock International
- ▶ World Services for the Blind

its momentum and even excelling despite the national bumps. This is largely due to the diversity of the economy, which won the city a #2 ranking on Moody's Investor Services list of the most diverse economies in the nation—just a tenth of a point behind Chicago. Little Rock was also listed as #84 of the "Top 200 Best Places for Business & Careers" compiled by Forbes and Arkansas was ranked #4 strongest economy in the U.S. by Businessweek in 2013 with the #2 lowest cost of doing business.

This economic diversity makes the city incredibly resilient when there are downturns. Some of the biggest names in American business—including Dillard's and Windstream from the Fortune 500 list and Stephens Inc., one of the largest privately owned banks in the country—call Little Rock home. The labor force in metro Little Rock is 493,000, and major areas of the economy include government and military, healthcare, education, advanced manufacturing, and aerospace.

**"Sperling's Best Places reports recent job growth of 2.96%, which reflects the linear economy Little Rock offers. There are no big swings—it's slow and steady and consistently ticks along with 2 to 4% annual job growth, which in turn ticks up property values."**

*– Brian Teeter, Little Rock Market President, TurnKey Properties*



## Who Works Here?

The Little Rock economy has weathered the downturns of the Great Recession well, maintaining

to Little Rock because they realized that this is the best possible place to raise children." 13

As a capital city Little Rock is a center of government for the state. There are approximately 70,000 local, state, and federal government jobs in Little Rock, and the area also includes the Little Rock Air Force Base and Camp Joseph T. Robinson, a training facility of the U.S. Army National Guard. The military bases combined have a \$859 million impact on the local economy, creating jobs for 7,500 active duty military, government contractors, and civilian workers.



Another large area of the Little Rock economy is healthcare, which employs about 5% of the labor force. The city boasts Arkansas's only academic medical center, University of Arkansas for Medical Sciences. There are also several other healthcare organizations that call Little Rock home, including the Arkansas Children's Hospital, which is one of the leading children's hospitals in the world.

The universities and community colleges in Little Rock and the surrounding area also do much to keep the economy diverse and vibrant. The University of Arkansas at Little Rock brings approximately 13,000 students and faculty to the area. There are also five other community colleges and universities within a 30-minute drive of the capital, boosting the population by another 10,000. These schools work closely with employers in the

area to ensure the population is developing the skills needed to support their business demands.

For example, a big focus within Little Rock is advanced manufacturing—Little Rock is ranked #2 for the highest manufacturing employment in the South by the National Association of Manufacturers. The city's Chamber of Commerce reports, "Little Rockers make things—smartly and efficiently. With targeted workforce development from the region's community colleges and universities, aircraft interiors, road graders, windmill blades, steel pipes, and processed food make advanced manufacturing one of the region's top employers." This targeted workforce development creates very skilled artisan workers, which fuels Little Rock's manufacturing sector that includes companies such as Caterpillar, LM Wind, Sage V Foods, Saint Gobain, Skippy Foods, and Welspun Tubular. Little Rock also has a strong aerospace industry as the U.S. headquarters for the French company Dassault Falcon Jet, which did \$515 million in exports in 2010—making aerospace the state's largest export.



Little Rock is also working to encourage retail growth. A large outlet mall, Gateway Village, was completed in 2015, bringing in big brands like Bass Pro Shops and J. Crew among 75 total retailers and creating more than 1,000 jobs—and retail is

## Little Rock Tenant Profile

Typical tenant is young to middle-aged, blue collar working class. Here are job titles listed on 10 typical rental applications:

- ▶ Counselor for Pulaski County School District
- ▶ Nurse for Pulaski County School District
- ▶ Project Manager for Windstream
- ▶ Bartender for local Tex-Mex restaurant
- ▶ Working parent who draws Section 8 assistance
- ▶ Hair stylist at a beauty salon
- ▶ Legal assistant for Cooks law firm
- ▶ Welder for National Custom Hollow Metal
- ▶ Nurse for Epic Health Services
- ▶ Social Worker for the state
- ▶ Head custodian for the Little Rock School District
- ▶ Deli clerk for Kroger
- ▶ Self-employed attorney
- ▶ Therapist for United Family Services

booming all across the city. Lou Schickel of the Pleasant Ridge Town Center mall, said, “Little Rock has become a destination for good food, high quality retail shops, and other entertainment. With more than a million people within 100 miles of the Capital City and a stable and diverse economy, we enjoy maintained and consistent growth in the commercial retail sector. The proof is in the approximately 100,000 people dining and shopping with us on a weekly basis.” <sup>14</sup>

Incentives to business in Little Rock are nationally competitive, and the city also funds performance-

“Little Rock offers a linear economy. There are no big swings—it’s slow and steady and consistently ticks along with 2 to 4% annual job growth, which in turn ticks up property values.”

– Alex Craig, *President of TurnKey Properties*

based incentives to complement those offered by the state. Personal and corporate income tax do not exist at the city or county levels, and property, sales, and corporate franchise taxes are comparable. Overall the city offers sophisticated advantages without the negatives of a larger metropolitan area. Rojesh Chokhani of Welspun Tubular said, “Positioned for commerce and economic growth by being in the heart of America, Little Rock is structured for business with the most cooperative, pioneering, and spirited people, with all the facilities and infrastructure to prosper together.” <sup>15</sup>

Little Rock is also focusing on improving transportation and infrastructure to encourage business growth. Over the past decade more than \$90 million has been invested in the Bill and Hillary Clinton National Airport in Little Rock, and the airport has announced its Vision 2020 plan to ensure it encourages travel to the city and state. The project includes new retail and dining space, remodeled runways, improved restrooms, and other features.<sup>16</sup> Little Rock has also undertaken a number of road construction projects on the I-630

and I-430 corridors to accommodate increased traffic and keep commute times low as the area grows. With these new roads, commute times average 17 minutes, which is significantly lower than the national average of 26 minutes. In fact, with these projects and the layout of the city, people can get to most places in Little Rock within 20 minutes. This allows them to live in the area they want to live in as opposed to choosing housing just for a decent commute time. The I-430 corridor in particular has also seen significant residential growth with the expansions. Major construction projects currently underway include the Broadway Bridge (\$80 million), the I-30 bridge and interchange, renovation of the Robinson Center (\$68 million), and the LR Technology Park, which is expected to add 2,500 new jobs and generate \$262 million per year.

All these business growth initiatives and efforts are paying off. Sperling's reports recent job growth of 2.96% (compared to a national average of 1.59%) and predicts future job growth in Little Rock of 42.15% (compared to a national average of 37.98%) over the next ten years. <sup>17</sup> This reflects the linear economy Little Rock offers. There are no big swings—it's slow and steady and consistently ticks along with 2 to 4% annual job growth, which in turn ticks up property values.



## What Rents Here?

The median market value of homes in the Little Rock area is just over \$145,000. About 64% of the population owns their homes while the remaining 36% rent. The rental market is fairly tight, with only about 5% of properties available for rent at

any given time, and the area is very landlord friendly with only 21 days to complete eviction. Rents increased 11.4% in 2015, which was the ninth largest increase nationwide according to Rentrange. <sup>18</sup>



Turnkey Properties of Little Rock, a local turnkey supplier of cash flow properties, has found that good quality single-family homes and neighborhoods perform best for their clients. Their motto is “The right areas with the right finishes and the right tenants for the right investments,” and their goal is to help their investors succeed by helping working class families rent in areas where they want to live and in the best places they can afford. By keeping renters happy, you keep landlords happy.

Turnkey Properties of Little Rock currently manages about 550 properties in Little Rock, focusing on three to four bedroom single-family homes and targeting families as the ideal tenants. Typical tenants are young to middle-aged, blue collar working class, and they usually stay for about 3 years. The average purchase price of Turnkey Properties investments is about \$115,000, ranging from \$85,000 to \$165,000. Turnkey Properties of Little Rock targets a 1:1 rent-to-value ratio, charging about \$1,000 rent for a property that they paid \$100,000 for.

All Turnkey Properties of Little Rock's investments are designed to address the two major dangers to cashflow in the rental market: turnover and maintenance costs.

## Turnover

Turnover is costly. There are the costs of getting the apartment rent-ready again—deep cleaning, fixing small things from door knobs to light fixtures—and then the property management fee, advertising costs, and the opportunity costs of having a property stand empty. To hedge against turnover, Turnkey Properties focuses on creating a property that tenants want to live in rather than just have to live in.

After purchasing a property, Turnkey Properties invests in upgrade renovations such as flooring, vanities, and countertops to make sure everything looks clean and higher end. For example, vinyl plank flooring instead of carpet is installed in high traffic areas. This is an upgrade that not only looks great by opening up the space, but it will also save clients thousands in the long run as carpet simply is not as durable and water resistant. By providing this higher end look, the property offers a quality place to live and tenants are happier. And happier tenants stay longer.

## Maintenance Costs

The other cashflow killer Turnkey Properties guards against is high maintenance costs. By taking care of things like the roof, HVAC system, and water heater at the very beginning of the investment, investors avoid surprise maintenance costs down the road that can kill cashflow.

TurnKey Properties take the safe, stable Little Rock market and makes it an even more sure bet for investors by protecting cashflow right from the start.



## Why Wouldn't You Join Us?

It's true that Little Rock doesn't have the size of other markets. But we've got something many other markets lack—stability. We are one of the linear markets that real estate investors look for, offering increasing rents, a tight rental market, affordable housing costs, and a stable economy.

Little Rock is what you're looking for in a rental property. Choose the stable, safe bet that just makes sense.

Call Turnkey Properties of Little Rock at

# 901-410-5452

today to learn more about our clients' results and discuss the long-term returns your investment could net.





Turnkey Properties of Little Rock, in conjunction with Turnkey Properties of Memphis, aims to be the premier turnkey supplier of cash flow properties by providing investors worldwide a way to passively invest in stable, cash flowing real estate. The company focuses on customer service and exclusively providing the right properties in the right areas because they make for better returns over the life of the investment.



**Brian Teeter**  
*Little Rock Market  
President*

Brian Teeter is a native of Little Rock, Arkansas. Born in the city, he's spent the majority of his life in the area, even graduating from the University of Arkansas at Little Rock. He then spent 16 years working in various corporate settings, including time with various Fortune 500 companies, before spreading his entrepreneurial wings and starting a number of businesses ranging from retail to construction. In 2013, Brian helped develop Little Rock Turnkey Properties and has leveraged his own Little Rock real estate experiences to help more than 120 investors purchase investment real estate in the area. Brian's own Little Rock investment portfolio was begun in 1997, shortly after he graduated from college, and now includes over 30 homes in the Little Rock area. As the Little Rock Market President for Little Rock Turnkey Properties, Brian helps investors find turnkey single family and smaller multi-family properties that will provide a solid return on their investment.



**Alex Craig**  
*Turnkey Properties  
President*

Alex Craig became a real estate investor in 2007, after eight years of corporate experience as National Sales Manager and Director of Marketing for Worldwide Adhesive and Plumbing Manufacture. He is a lifetime native of Memphis, Tennessee, and a graduate of the University of Memphis with a Bachelor of Science in Education. Alex owns and manages a portfolio of houses in Memphis and Little Rock. He is the cofounder and president of Memphis Turnkey Properties GP, Turnkey Properties of Little Rock LLC, CB Properties of Memphis LLC, and passive owner of Gus's Fried Chicken in Knoxville, TN.

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