



REPORT
Presented by **ARVEST**



One Page Summary First Half of 2025

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Real Estate Summary Benton, Madison and Washington Counties

5,049 homes were sold in the first half of 2025, an increase of 5.2 percent from the 4,799 houses sold a year ago and a decrease of 5.4 percent from the 5,339 homes sold in the second half of 2024.

In the first half of 2025, 3,035 homes were sold in Benton County, 1,951 homes in Washington County, and 63 homes in Madison County.

In the first half of 2025, the average price of a home sold in Benton County was \$471,427, 8.9 percent higher than a year ago. In Washington County, the average price was \$417,489, 7.2 percent higher than a year ago.

Home starts plus homes under construction increased by 341 to 1,772 in the first half of 2025, almost back to the level of 1,776 in the first half of 2024.

Developers expressed concern about sewer capacity issues limiting growth in Bentonville, Centerton, Decatur, Elkins, Farmington, and Rogers.

The multifamily vacancy rate increased to 3.7 percent in the first half of 2025 from 3.3 percent in the second half of 2024 with the addition of 7 new and completed complexes with 639 total units and 320 available units. With the 7 complexes removed the overall vacancy rate decreased to 3.2 percent.

The multifamily market has an additional 7,500 units under construction throughout the region. This represents 13.3 percent of the current inventory in Northwest Arkansas.

In the first half of 2025, the average rent was \$1,094.08, 5.4 percent higher than a year ago, and 50.0 percent higher than five years ago.

In the first half of 2025, 25 current multifamily projects had building permits valued at \$463.6 million, a decrease from \$523.8 million in the second half of 2024.

The overall vacancy rate for commercial property increased to 7.2 percent in the first half of 2025 from 5.8 percent in the second half of 2024, with the addition of 204,076 new square feet of commercial space and net negative absorption of 648,360 square feet.

The office vacancy rate rate increased to 6.8 percent in the first half of 2025 from 6.3 percent in the second half of 2024 as 7,840 square feet of new space and over 100,000 square feet of previously owner-occupied space entered the market.

In the retail submarket, the vacancy rate increased to 6.6 percent in the first half of 2025 from 4.9 percent in the second half of 2024 as 23,932 square feet of new space entered the market and there was net negative absorption of 149,920 square feet.

The warehouse vacancy rate increased from 7.6 percent in the second half of 2024 to 10.4 percent in the first half of 2025 while 38,400 new square feet of space entered the market and there was net negative absorption of 392,251 square feet. 76,414 square feet of new retail/warehouse space was added as respondents continued to report increasing demand for new flex warehouse space.

\$290.2 million in commercial building permits were issued in the first half of 2025 including \$14.2 million from Walmart. In comparison there were \$195.7 million in commercial building permits issued in the second half of 2024 (\$5.3 million from Walmart).