

One Page Summary Second Half of 2025

Prepared Exclusively under
Contract Agreement for
ARVEST BANK

The information contained herein has been obtained from reasonably reliable sources. The Center for Business and Economic Research makes no guarantee, either expressed or implied, as to the accuracy of such information. All data contained herein is subject to errors, omissions and changes. Reproduction in whole or in part without prior written consent is prohibited.

Sam M. Walton College of Business
University of Arkansas
Fayetteville, AR 72701
Telephone: 479.575.4151
<http://cber.uark.edu>



Real Estate Summary Benton, Madison and Washington Counties

10,202 houses were sold in 2025, resulting in an increase of 0.6 percent from the 10,138 houses sold in 2024.

In the second half of 2025, 3,081 homes were sold in Benton County, 2,018 homes in Washington County, and 54 homes in Madison County.

In the second half of 2025, the average price of a home sold in Benton County was \$471,322, 4.8 percent higher than a year ago. In Washington County, the average price was \$429,616, 6.8 percent higher than a year ago.

Home starts plus homes under construction decreased by 452 to 1,320 in the second half of 2025, the lowest level since 1,305 in the first half of 2020.

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

The multifamily vacancy rate increased to 5.8 percent in the second half of 2025 from 3.7 percent in the first half of 2025 with the addition of 15 new and completed complexes with 1,494 total units and 1,099 available units. With the 15 complexes removed, the overall vacancy rates decreased to 4.1 percent.

The multifamily market has an additional 8,100 units under construction throughout the region. This represents 13.8 percent of the current inventory in Northwest Arkansas.

In the second half of 2025, the average rent was \$1,127.20, 4.8 percent higher than a year ago, and 52.0 percent higher than five years ago.

In the second half of 2025, 27 current multifamily projects had building permits valued at \$632.5 million, an increase from \$463.6 million in the first half of 2025.

The overall vacancy rate for commercial property decreased to 6.3 percent in the second half of 2025 from 7.2 percent in the first half of 2025, with the addition of 399,598 new square feet of commercial space and net positive absorption of 615,998 square feet.

The office vacancy rate rose to 7.5 percent in the second half of 2025, up from 6.8 percent in the first half of the year. This increase was driven by the addition of 64,897 square feet of newly constructed space, 58,668 square feet of formerly owner-occupied space entering the market, and 62,820 square feet of net negative absorption.

In the retail submarket, the vacancy rate decreased to 6.0 percent in the second half of 2025 from 6.6 percent in the first half of 2025 as 173,430 square feet of new space entered the market with net positive absorption of 69,761 square feet.

The warehouse vacancy rate decreased to 6.1 percent in the second half of 2025 from 10.4 percent in the first half of 2025 as 49,200 new square feet of space entered the market with net positive absorption of 597,962 square feet. 86,423 square feet of new office/warehouse space was added.

\$140.4 million in commercial building permits were issued in the second half of 2025 including \$4.2 million from Walmart. This is the lowest amount since \$116.8 million in the first half of 2017. In comparison there were \$290.2 million in commercial building permits issued in the first half of 2025 (\$14.2 million from Walmart).