

# THE SKYLINE REPORT

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## One Page Summary First Half of 2022

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## Real Estate Summary For Benton, Madison, and Washington Counties

In the first half of 2022, the average price of a home in Benton County reached \$403,829, 29.7 percent higher than a year ago and 77.6 percent higher than five years ago. In Washington County, the average was \$362,924, which was 22.1 percent higher than a year ago and 73.2 percent higher than five years ago.

The price increase from a year ago would have been 4.6 percent lower in Benton County and 1.7 percent lower in Washington County if home sales over \$1 million were removed from the calculations.

Home sales decreased 0.1 percent from a year ago, but 19.6 percent from last half, to 4,848. However, 1,193 homes were listed for sale at the end of June, the highest number since the first half of 2020.

The number of building permits issued in Northwest Arkansas in the first half of 2022 increased to 2,892, the highest total since the 3,265 building permits issued in the first half of 2006.

Home starts plus homes under construction totaled 2,308 in the first half of 2022, the highest level in Skyline data collection.

**The multifamily vacancy rate decreased to 2.3 percent in the first half of 2022 from 3.0 percent in the second half of 2021. The low vacancy rate was driven by decreases in Bentonville, Rogers, Siloam Springs, and Springdale. Fayetteville saw a slight vacancy rate increase.**

The multifamily market has an additional 16,000 units (2,000 higher than in the second half of 2021), under construction or announced throughout the region. This represents 33.6 percent of the current inventory in Northwest Arkansas.

In the first half of 2022, the average rent was \$860.97, 9.1 percent higher than a year ago, and 31.7 percent higher than five years ago.

In the first half of 2022, 35 current multifamily projects had building permits valued at \$371.8 million an increase from \$216.9 million in the second half of 2021. This was the highest since \$482.4 million in the first half of 2020, and the third highest in Skyline data.

**The overall vacancy rate for commercial property decreased to 5.8 percent in the first half of 2022, driven by 1,234,890 square feet of net positive absorption. 521,750 square feet of new commercial space was added to the market.**

The warehouse vacancy rate decreased from 5.3 percent in the second half of 2021 to 0.8 percent in the first half of 2022 due to net positive absorption of 542,000 square feet of space, while 229,000 square feet of new warehouse space was added. 134,255 square feet of new office/warehouse space was added as respondents continued to report increasing demand for new warehouse and flex warehouse space.

The office vacancy rate dropped to 9.1 percent in the first half of 2022 from 10.0 in the second half of 2021. There was strong leasing activity in both Class A and Class B office submarkets. New office space of 50,820 square feet was added in the first half of 2022.

In the retail submarket, the vacancy rate decreased to 7.9 percent in the first half of 2022 from 9.5 percent in the second half of 2021, as 20,000 square feet of new space, all Class B, entered the market and there was net positive absorption of 163,442 square feet.

\$293.7 million in commercial building permits were issued in the first half of 2022 with Walmart accounting for \$170.1 million. This is a decrease from \$379.1 million and 290.2 million in the second half of 2021.

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