



REPORT

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One Page Summary First half of 2024

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Real Estate Summary For Benton, Madison, and Washington Counties

In the first half of 2024, the average price of a home in Benton County was \$432,956, 2.5 percent higher than a year ago. In Washington County, the average was \$389,574, 0.7 percent lower than a year ago. Average prices increased by 3.0 percent and 0.7 percent from the second half of 2023 in Benton and Washington counties, respectively.

Home sales increased 8.5 percent from a year ago to 4,799 in the first half of 2024.

Absorption rose 29.6 percent from a year ago to 2,497 homes in the first half of 2024, the highest level in Skyline history, exceeding the 2,198 in the second half of 2020.

Home starts plus homes under construction decreased by 139 to 1,775 in the first half of 2024, the lowest level since 1,727 in the first half of 2021.

39.5 percent of all homes sold were new construction (1,896). It was the highest total and second highest percentage of new construction in Skyline history.

The multifamily vacancy rate increased to 3.3 percent in the first half of 2024 from 3.1 percent in the second half of 2023. The increase was driven by 11 new or completed complexes with 1,027 total units and 406 available units. With the 11 complexes removed the overall vacancy rate decreased to 2.6 percent.

The multifamily market has an additional 5,400 units under construction and 19,800 announced throughout the region. This represents 45.8 percent of the current inventory in Northwest Arkansas.

In the first half of 2024, the average rent was \$1037.57, 9.0 percent higher than a year ago, and 48.9 percent higher than five years ago.

In the first half of 2024, 12 current multifamily projects had building permits valued at \$362.6 million an increase from \$256.4 million in the second half of 2023.

The overall vacancy rate for commercial property remained 6.4 percent in the first half of 2024 even as 538,455 square feet of new commercial space entered the market.

The office vacancy rate decreased to 7.4 percent in the first half of 2024 from 8.8 percent in the second half of 2023. Strong leasing activity continued in the Class A submarket as 61,325 square feet of new office space was added this half.

In the retail submarket, the vacancy rate decreased to 6.4 percent in the first half of 2024 from 7.9 percent last half, as 10,898 square feet of new space entered the market.

The warehouse vacancy rate increased from 3.6 percent in the second half of 2023 to 8.0 percent in the first half of 2024 as 313,356 square feet of new space entered the market and two big warehouse spaces became available. 63,916 square feet of new office/warehouse space but no new retail/warehouse space was added as respondents continued to report increasing demand for new flex warehouse space.

\$406.9 million in commercial building permits were issued in the first half of 2024, the highest non-Walmart total in Skyline history. In comparison there were \$287.6 commercial building permits issued in the second half of 2023.