



THE SKYLINE REPORT

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Real Estate Market Summary
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Real Estate Market Summary for Benton and Washington Counties from the Second Half of 2015

Commercial absorption was even stronger than robust new construction in Northwest Arkansas in the second half of 2015.

- There were 836,033 square feet of commercial space that became occupied, while just 550,331 square feet of new space were added to the Northwest Arkansas market in the second half of 2015.
- There will continue to be a great deal of activity in the market as \$112.8 million of commercial building permits were issued.
- Office vacancy rates continued to decline, while average office lease rates, particularly for Class A space, continued to climb.
- Both the retail and office/retail markets had more available space and higher vacancy rates in the second half of 2015 than in the first half of 2015 or the end of 2014.
- Available warehouse space in Northwest Arkansas was at its lowest level since 2007.

In the second half of 2015, multifamily vacancy rates rose due to new units coming online, but vacancies were still lower than they were at the same time last year, and lease rates reflected the tight market.

- There were over 1,400 new units added, spread throughout Bentonville, Fayetteville, and Rogers.
- As not all of these new units were immediately occupied, vacancy rates in these communities increased from their critically low levels in the first half of 2015.
- Without the benefit of new construction, the multifamily market in Springdale remained tight, as vacancy rates were at 1.0 percent, just up from 0.9 percent in the first half of the year.
- Average lease rates were up 4.4 percent on an annual basis to \$601.43 per month for an apartment in Northwest Arkansas.

Balanced growth continues to characterize the Northwest Arkansas residential real estate market.

- There were 1,196 building permits issued in Benton and Washington counties in the second half of 2015. During the same time period, 1,144 new houses in the 377 active subdivisions in the region became occupied.
- At 48.3 months, the supply of remaining lots in active subdivisions in Northwest Arkansas was at its lowest level since 2007.
- In the second half of 2015, there were 4,257 houses sold in Benton and Washington counties, 15.3 percent more than in the same period of 2014. Average prices increased in Benton County, but fell slightly in Washington County from their levels in the first half of 2015.



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