

THE SKYLINE REPORT

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One Page Summary Second Half of 2022

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Real Estate Summary For Benton, Madison, and Washington Counties

In the second half of 2022, the average price of a home in Benton County reached \$401,875, 0.5 percent lower than last half, 16.3 percent higher than a year ago and 75.9 percent higher than five years ago. In Washington County, the average was \$376,018, which was 3.6 percent higher than last half, 20.7 percent higher than a year ago and 71.1 percent higher than five years ago.

Home sales decreased 20.8 percent from a year ago, and 1.5 percent from last half, to 4,774 in the second half of 2022.

The number of building permits issued in Northwest Arkansas in the second half of 2022 decreased to 2,115, the lowest total since the 2,074 building permits issued in the second half of 2020.

Home starts plus homes under construction totaled 2,354 in the second half of 2022, the highest level in Skyline data collection.

1,449 new construction homes were sold in the second half of 2022. This was 30.4 percent of the total, the second highest percentage in Skyline history after the 32.6 percent in first half of 2019. It was the third highest total, behind the 1,596 in the second half of 2021.

The multifamily vacancy rate decreased to 1.6 percent in the second half of 2022 from 2.3 percent in the first half of 2022. The decrease was driven by Fayetteville, which accounts for 47.6 percent all units in Northwest Arkansas, while all other cities saw a slight increase in their vacancy rates.

Fayetteville's decrease was driven by the growing student population, while 8 new complexes with 687 total units and 148 available units led to the increase in the other cities.

The multifamily market has an additional 16,000 units under construction or announced throughout the region. This represents 33.5 percent of the current inventory in Northwest Arkansas.

In the second half of 2022, the average rent was \$926.55, 17.4 percent higher than a year ago, and 40.2 percent higher than five years ago.

In the second half of 2022, 21 current multifamily projects had building permits valued at \$333.2 million a decrease from \$371.8 million in the first half of 2022. This was the fifth highest in Skyline data history.

The overall vacancy rate for commercial property decreased to 5.6 percent in the second half of 2022, driven by strong leasing in the office and office/retail submarkets.

The office vacancy rate dropped to 8.4 percent in the second half of 2022 from 9.1 in the first half of 2022. There was strong leasing activity in both Class A and medical office submarkets. 274,414 square feet of new office space was added in the second half of 2022.

In the retail submarket, the vacancy rate remained 7.9 percent in the second half of 2022 as 47,845 square feet of new space, all Class A, entered the market.

The warehouse vacancy rate increased from 0.8 percent in the first half of 2022 to 1.6 percent in the second half of 2022 due to one vacancy. 50,171 square feet of new office/warehouse space was added as respondents continued to report increasing demand for new warehouse and flex warehouse space.

\$240.9 million in commercial building permits were issued in the second half of 2022. The \$218.0 million without Walmart's permits is the highest non-Walmart total since the second half of 2005.