

# THE SKYLINE REPORT

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## Real Estate Summary For Benton and Washington Counties

Home sales increased 18.2 percent to 5,803. This was the highest sales total since the Skyline report began. However, only 731 homes were listed for sale at the end of December.

The average price of homes in Benton County reached a record high of \$293,403 in the second half of 2020. Prices in Benton County were 10.7 percent higher than a year ago and 41.8 percent higher than five years ago. In Washington County, homes reached a record high of \$268,987, which was 11.8 percent higher than a year ago and 42.5 percent higher than five years ago. The trend of price increases has accelerated in Northwest Arkansas.

The number of building permits issued in Northwest Arkansas in the second half of 2020 increased to 2,036, the new second highest total since the 3,265 building permits issued in the first half of 2006.

The number of complete but unoccupied homes in Northwest Arkansas declined to 251 in the second half of 2020 from 310 a year ago. The number of absorbed houses reached an all time high of 2,205, 50.5 percent higher than a year ago. The number of coming lots continued to grow reaching 12,756, 56.2 percent higher than a year ago.

**There were an additional 14,000 units (1,000 more than in the first half of 2020), either under construction or announced throughout the region. This represents 30.8 percent of the current inventory of multifamily units in Northwest Arkansas.**

Bentonville and Rogers were the only cities that had vacancy rate increases as new complexes came online. All other cities had vacancy rate decreases.

In the second half of 2020 the average rent of \$741.36 was 3.6 percent higher than a year ago, and 23.0 percent higher than five years ago. The multifamily vacancy rate increased to 5.0 percent from 4.8 percent in the first half of 2020.

26 current projects have building permits valued at \$324,160,448. This is the lowest since \$224,389,173 in the first half of 2019.

**The overall vacancy rate for commercial property remained at 10.8 percent in the second half of 2020, with 495,676 square feet of new commercial space (mostly office), added to the market. There was only 51,573 square feet of net negative absorption.**

Northwest Arkansas added 325,188 square feet of office space, with 125,000 in medical, 114,344 in Class A, and 85,844 in Class B. The overall office vacancy rate increased to 10.0% from 9.8%.

In the retail submarket the vacancy rate increased to 11.4% from 10.6% as 87,735 square feet of new space, evenly divided between Class A and Class B entered the market and there was overall net negative absorption of 46,667 square feet.

The warehouse submarket vacancy rate increased from 8.3 percent to 9.3 percent due to net negative absorption of 126,895 square feet of space primarily caused by vacancy in two older warehouses. No new warehouse space was added, but respondents reported there is increasing demand for new warehouse and flex warehouse space.

\$188.8 million in building permits were issued in the second half of 2020. The third quarter 2020 building permit value of \$57.6 million showed some growth from the last quarter. There was a strong rebound in the fourth quarter of 2020 with \$131.3 million in building permits issued, indicating Northwest Arkansas is not experiencing a pandemic slowdown in commercial construction.

## One Page Summary Second Half 2020

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