



HSV Real Estate Update Through March 31, 2022

Description

By Lloyd Sherman, April 8, 2022

Hot Springs Village Real Estate Update for Period Ending 3-31-2022

This report is designed to cover the current activities against the same timeframe last year. In this case, March of 2021 VS March of 2022. However, it also reflects the results over the last five years. I am also breaking down sales on single-family properties by county and providing some additional granular data.

[Information provided comes directly from the MLS \(Cooperative Arkansas Realtors MLS – CARMLS\) and contains only information from within the Village boundaries. Other sources may be providing their statistics based on zip code and most of them also contain lot and townhome information, which this report breaks out as their own categories. It is also worthy to note these numbers are provided several days after the month has closed which may result in differences down the road due to data not having been updated by the Realtor community.](#)

Single Family properties sold in March 2022

- **46 sold**
- Available for sale = 38 (As of Apr. 1, 2022)
- Average selling price – \$366,952
- Median selling price – \$295,350
- Average selling price per square foot – \$156.77
- Average days on market – 13
- Under Contract – 61
- Taking Backup Offers – 62

On a 2022 YTD basis a total of 129 homes have closed. Of those 13 are new builds (10.1%). With all the building going on in the Village, it surprises me that number is not higher. I will keep reporting on this number as we progress through the year. Total closed houses in Saline County this year have been 61, with an average selling price of \$382,364 or an average of \$159.65. Garland County represents 68 closed of the YTD 129 at an average selling price of \$265,205 or \$106.08 per square foot.

Single Family properties sold in March 2021

- **66 sold**
- Average selling price – \$315,142
- Median selling price – \$254,500
- Average price per square foot – \$122.25
- Average days on market 60

State of the Market

1. Inventory has begun ticking up slightly, but finding the right home for some buyers remains an issue. Many of the homes being put on the market currently are being sold AS IS, which means the seller will not be performing any repairs, regardless of what might be found. We continue to encourage buyers to perform an inspection so they have the data to determine if they want to continue with the purchase.
2. It remains very much a Seller's Market for those who want or need to sell. However, the seller's market pretty much exists across the country so inflated prices will be encountered about everywhere you would look.
3. Comparing March to March, the average selling price of homes is running significantly above what was experienced in March of 2021. Average selling price is up 16.4% over March of 2021, while the average per square foot cost is up 22%. Many factors contribute to these types of increases, but inflation and cost of materials for new builds are most likely the major contributing factors. However, as values go up, so goes the average selling price.
4. Most agencies continue to have a backlog of buyers looking to purchase, and patience is the word of the day. As mentioned previously, the other factor is the number of houses being sold AS IS and this is having an impact on those in the lower income brackets. While they might be able to afford to purchase a home, they can't do that and take on an additional financial burden of repairs and updates.
5. The National Association of Realtors (NARS) has indicated that an average sale is comprised of five (5) offers and based on personal experience, the Village is probably experiencing the same result.
6. Over closings are down from 2021 and this could be the result of many factors including:
 - Continued lack of inventory or lack of quality inventory
 - Interest rates being on the rise
 - Inflation and the inability of some to stretch their finances further
 - The addition of a buy-in fee at closing combined with increasing fees to close a loan.

7. *I'm not sure we are going to experience much of a decline in overall house sales, although with what is happening in Ukraine, rising prices, and increased interest rates, it could also dampen our market.*

NOTE: Keep in mind that these numbers only include transactions that have gone through the MLS and as such, will not include those where lot owners have contracted directly with a builder, or someone has sold FSBO.

Condos/Townhome Sales

Townhome sales are running slightly ahead of last year and much like the single-family market both the average selling price and per square foot cost has also increased. We are also continuing to see an inventory shortage in this sector of the market.

Lot Sales

Lot sales appear to have slowed slightly, but we have just entered the prime selling cycle so it remains to be seen how this market sector will fare going forward. There are **650** lots available for sale on the MLS; the POA has about **450** lots that have been released to the realtor market for resale; and of course, the POA owns a total of about **6,000** lots. Investors who bought significant numbers of lots last year from the State are also trying to sell these via the internet at rock bottom prices.

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DISCLAIMER: Many continue to ask how long this market will continue. Given the current national climate, I don't see much of a change in our current market for at least the remainder of 2022. These statements represent only the opinions of the writer and the questions I have about the current market conditions and how much further buyers will go before price becomes a limiting decision. The fact that many are fleeing high density areas and relocating to places like the Village should be a favorable sign for us, but like most things these days, time will tell.

Feel free to reach out to me at lloydhsv@gmail.com if I can answer any questions for you. For disclosure purposes, I am a Realtor and the numbers reported here come directly from the MLS.

Hot Springs Village Property Comparison Activities for March 2022

[HSV-Property-Comparison-Activities-for-March-2022-converted](#)

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Author

lynn

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