DPZ CODESIGN

Regional Socioeconomics

Regional Growth Strategy For Northwest Arkansas

01/07/26

Regional Socioeconomics

Executive Summary

Northwest Arkansas continues to grow quickly, with strong job creation, rising incomes, and people moving in from across the state and beyond. The region is becoming more diverse and more educated, with both white- and blue-collar jobs expanding. But this growth is also bringing new challenges. Housing prices are rising faster than wages, especially in cities near job centers. In many places, outdated zoning makes it hard to build the types of homes people need, and transportation costs add to the burden—especially for families living farther from work, schools, and services.

At the same time, cities face growing costs to maintain roads, utilities, and public services. Most rely heavily on sales tax, which means they depend on retail development to fund basic needs. Spread-out growth patterns are proving costly, while compact, walkable neighborhoods offer a more efficient and sustainable path forward. To keep pace with demand, the region will need more flexible land use policies, targeted infrastructure investments, and a better balance of housing, jobs, and transportation options—especially in high-growth areas and smaller cities seeing increased pressure.

A High Level Overview

Northwest Arkansas remains one of the fastest-growing regions in the country, fueled by strong job creation, sustained in-migration, rising household incomes, and a diversifying population. As this growth continues, the region faces mounting pressure to manage housing affordability, transportation demand, infrastructure costs, and land use efficiency. The Big Four cities—Fayetteville, Springdale, Rogers, and Bentonville—remain the core of population and employment growth, but mid-sized and small cities are playing a growing role in absorbing demand. This report analyzes key socioeconomic trends across these city types, offering a comprehensive view of the region's trajectory and the structural challenges ahead.

Population and Migration

Roughly 19% of the region's population moved in the past year, with 8.2% coming from other parts of Arkansas and 4.1% from out of state—evidence of rising visibility but continued reliance on in-state migration. The Big Four cities draw the largest number of movers, particularly Fayetteville, Bentonville, and Rogers. Centerton and Bella Vista attract high shares of out-of-state migrants, while Siloam Springs is unique among mid-sized cities for its strong balance of jobs, housing, and educational anchors.

Though migration in Northwest Arkansas is more localized than in peer metros like Austin (6.6% out-of-state) and Raleigh–Durham (high international inflows), regional diversity is expanding. Over 30% of residents now identify as non-white, with rapid growth in Hispanic and Asian populations—especially in Springdale and Rogers—reflecting broader demographic shifts.

Employment & Education

The region has a higher jobs-per-capita ratio than the national average and matches high-performing metros such as Raleigh–Durham. Fayetteville has the most jobs overall, while Bentonville leads in job density. Cities like Lowell and Elm Springs also have high jobs-to-housing ratios, indicating growing employment nodes with limited residential development.

Northwest Arkansas's workforce is predominantly white-collar (62%), yet the region also retains a higher share of blue-collar jobs than many peers, particularly in manufacturing, logistics, and construction. Educational attainment now surpasses the state and closely tracks the national average, but still falls behind knowledge-economy peers like Austin and Provo–Orem. Fayetteville and Bentonville have the highest shares of college-educated residents, while smaller cities like Decatur, Lincoln, and Gentry lag significantly behind.

Income & Cost of Living

Median household incomes in Northwest Arkansas exceed both state and national benchmarks, with mid-sized cities reporting the highest averages, followed by the Big Four. Cities such as Cave Springs, Centerton, and Goshen lead the region in median income, reflecting proximity to job centers and higher-end housing. In contrast, many southern and rural cities report incomes below $60,000, underscoring persistent regional disparities.

Housing cost burden is rising, particularly for homeowners. Approximately 35% of homeowners in the region are cost burdened—well above the national average of 23%. Renter burden remains lower than national averages, yet lower-income households, particularly those earning under $35,000, face the most significant challenges across all city types. Fayetteville has the highest share of cost-burdened households overall, but all mid-sized and large cities exceed 20% of households affected.

Transportation & Affordability

Transportation is the second-largest household expense in the region. Cities further from the I-49 corridor—such as West Fork, Lincoln, and Winslow—tend to have higher vehicle miles traveled (VMT), longer commutes, and greater emissions. In contrast, corridor-adjacent cities—especially Bentonville—benefit from proximity to jobs and services, resulting in reduced travel needs and lower costs.

Cities like Cave Springs and Goshen illustrate how geography and housing market dynamics intersect. While both have moderate transportation costs, their high housing prices result in elevated overall cost burdens. Even with strong access to job centers, high-end housing markets can significantly impact affordability. As suburban development accelerates, housing and transportation cost burdens are rising fastest in high-growth fringe areas.

Land Use, Zoning, & Housing Capacity

Most cities in Northwest Arkansas remain zoned predominantly for single-family homes, limiting the flexibility to accommodate projected housing needs. In cities such as Cave Springs and Bella Vista, over half of the land remains zoned rural or low-density residential. This restricts the potential for multi-family and mixed-use development, even in areas where market demand and infrastructure could support it.

As populations rise, most cities—regardless of size—show higher future demand than current zoning allows. Without adjustments to land use policy, cities like Cave Springs will struggle to accommodate projected growth. Even where zoning reforms are underway, many cities lack the planning capacity or political momentum to implement them at the scale needed.

Municipal Revenues & Infrastructure Gaps

Arkansas cities derive approximately 60% of municipal revenue from sales taxes, with just 12% coming from property taxes—most of which support schools rather than city services. This fiscal model makes retail and commercial development essential for funding public services. The Big Four generate the most revenue overall, but efficiency varies widely by city.

Cities like Fayetteville and Bentonville perform well in revenue generation per acre developed. In contrast, low-density cities like Bella Vista and Goshen yield much less revenue relative to infrastructure needs. However, all cities could significantly increase their performance with more compact and mixed-use growth.

Despite steady growth, cities across all categories face significant infrastructure funding shortfalls. Road maintenance and expansion budgets remain inadequate, with most cities operating at an estimated 80% gap between need and available funding. Even high-performing cities like Bentonville and Prairie Grove face significant infrastructure needs. Compact, walkable development produces higher returns per acre and lower long-term infrastructure costs—emerging as a more sustainable model for continued growth.

City Budget Considerations

The city budgets presented in this document represent a single year. They were obtained either directly from city websites or from the State of Arkansas office of the auditor, 2023 records. Bonds and other multi-year financial instruments may distort the budget of a single year. For instance, a bond payment may be received in a single year yet paid back over decades. In the year received, that payment may show a sizable budget surplus. Spending for which that bond was secured takes place over many years, which may contribute to an apparent deficit. A multi-year budget analysis is beyond the scope of this study. Rather, the budget information presented is intended to compare the size of city budgets and primary categories of spending, relative to land area and population.

Sources of Data

United States Census and American Community Survey

Population and household demographics, income, employment, and education.

Median home value and median rent. Commuting patterns.

Number of dwellings, ownership ratio, vacancy rate, year built, and dwelling growth.

Zimmerman-Volk Associates (with data from Claritas)

Population origin and migration patterns.

Housing demand and absorption forecast.

Center for Neighborhood Technology (with US Census & ACS data)

Household expenditures. Household vehicle miles traveled and cars per household.

GIS from NWARPC and Individual NWA Cities

Zoning. Lane miles and street length.

DPZ CoDesign (using Google Earth)

Developed acres per city, estimated.

Individual NWA Cities and State Auditor's Office

City budgets and spending, single year budget from 2023 or more recent where available.

Urban3 with Benton and Washington County Tax Assessor records

Property taxes. Sales taxes estimated by Urban3 using county aggregated data.

Note: Numeric totals may not sum due to rounding.

Table of Contents

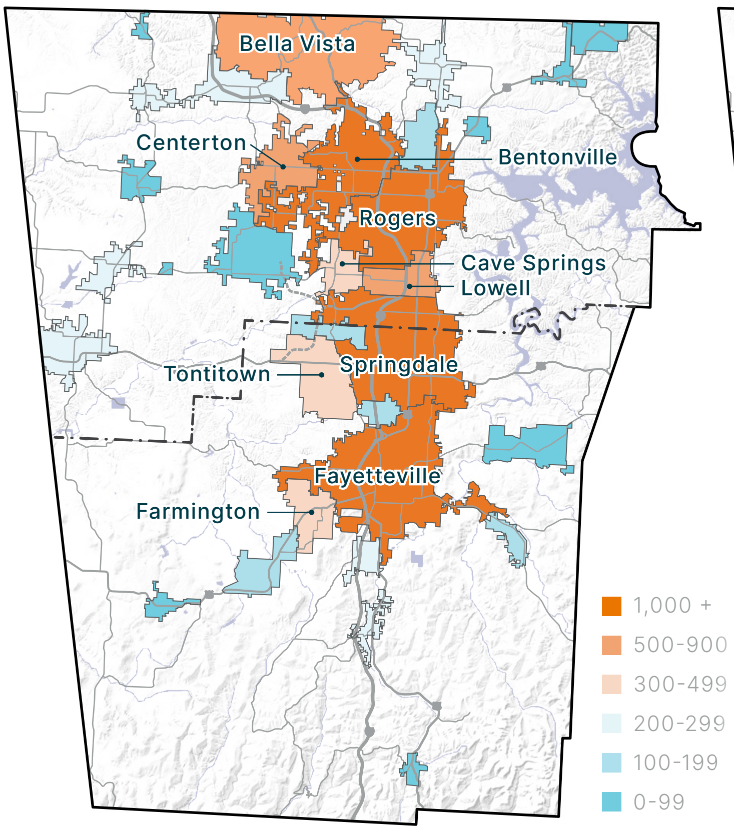
Regional Growth Rate

Demographic Profile of Northwest Arkansas

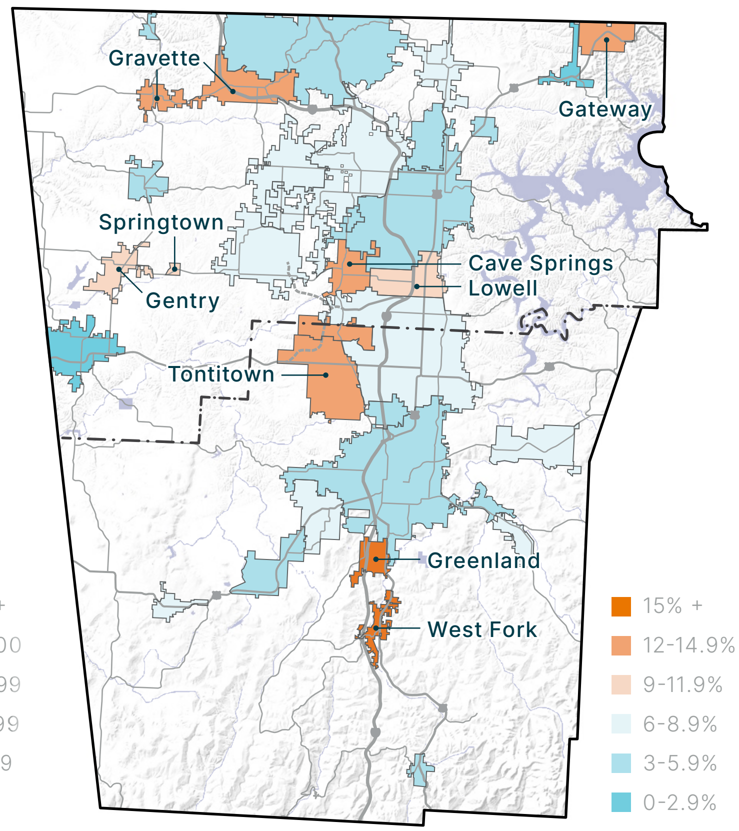
Northwest Arkansas is projected to experience substantial population growth in the coming decades. However, interpreting where and how this growth will occur requires careful attention to the metrics used. Two key measures—growth rate and absolute (total) population growth—often tell very different stories and can lead to misinterpretations if not considered together.

Growth rate refers to the percentage increase in population and tends to make smaller cities appear to be "booming." For instance, a small city of 2,000 people growing at 10% annually will add just 200 residents—equivalent to roughly 80 new homes. By contrast, a larger city like Rogers, with a population of 75,000 and a modest growth rate of 2.5%, would add about 1,875 people—translating to approximately 800 new homes per year. Despite the lower percentage, the impact on housing and infrastructure is far greater.

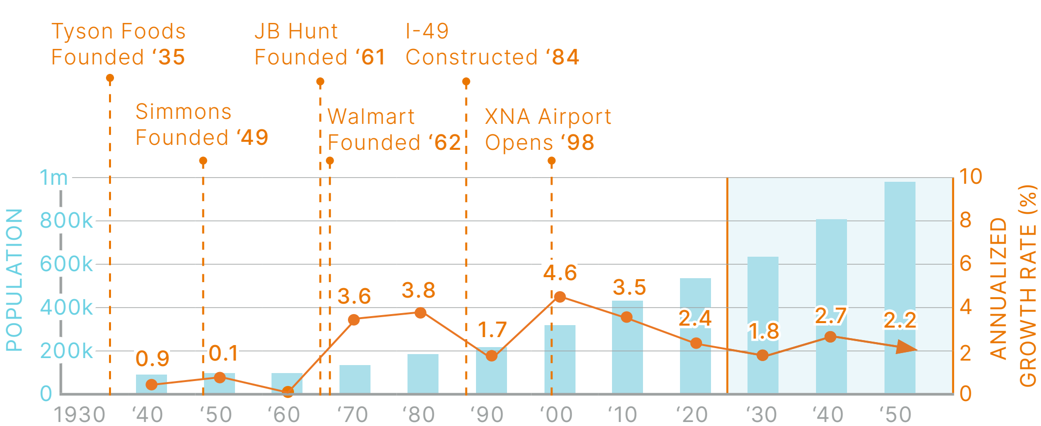
When looking at absolute population growth, the picture becomes clearer: the four largest cities—Fayetteville, Springdale, Rogers, and Bentonville—are expected to absorb approximately 50% of all new regional residents by 2050. The remaining growth will be distributed across mid-sized cities and unincorporated areas, while smaller cities are expected to see comparatively limited expansion.



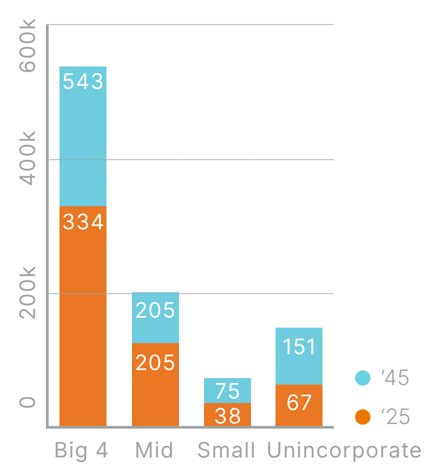
ANNUALIZED PROJECTED POPULATION GROWTH 2025-'45



ANNUALIZED PROJECTED GROWTH RATE 2025-'45



HISTORIC POPULATION & GROWTH RATE

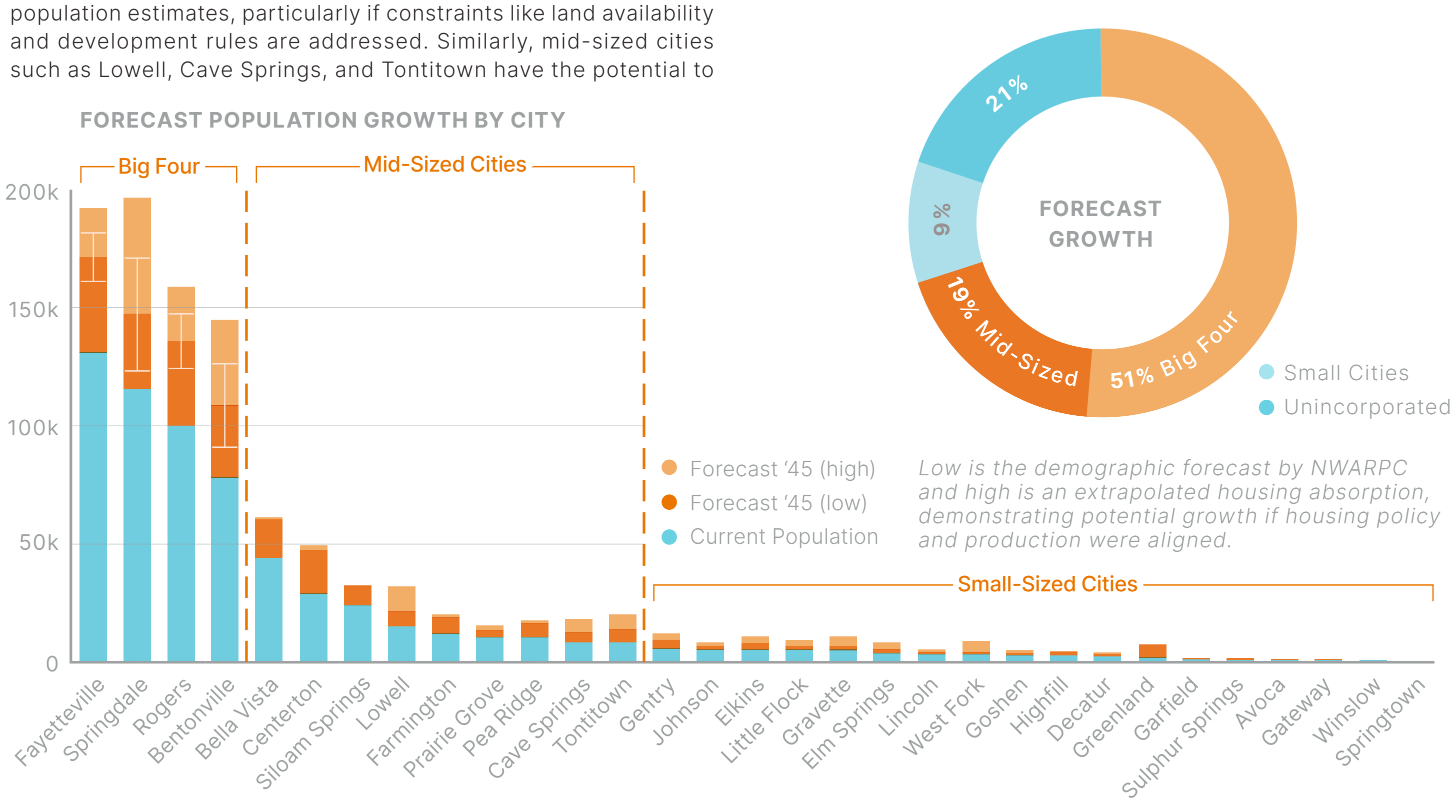


POPULATION DISTRIBUTION

It's also important to recognize that population projections are estimates, subject to a range of variables including land availability, zoning regulations, infrastructure capacity, and housing market conditions. Therefore, projections should be evaluated alongside housing market absorption capacity, demographic trends, and development policy.

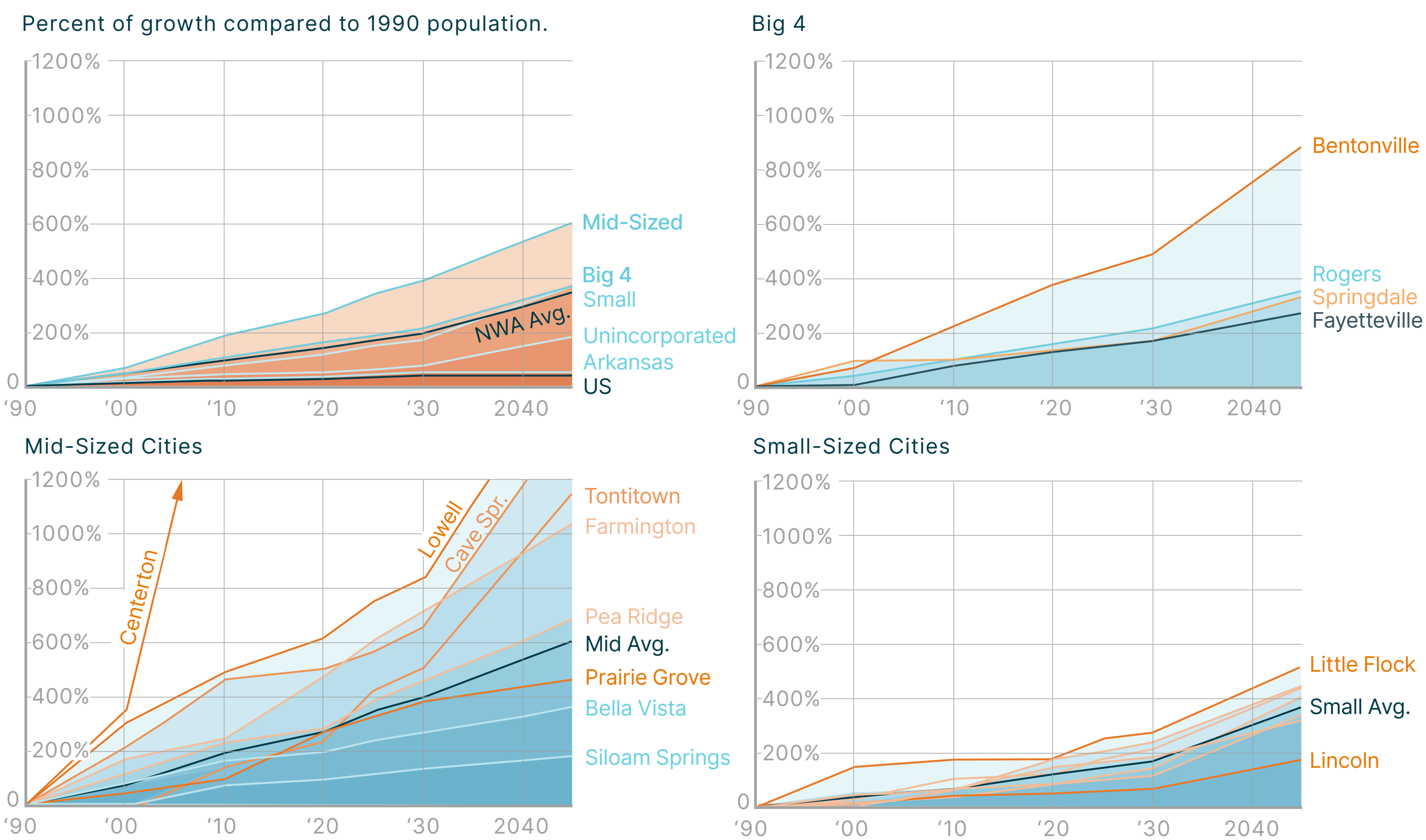
For example, Springdale and Bentonville could exceed current population estimates, particularly if constraints like land availability and development rules are addressed. Similarly, mid-sized cities such as Lowell, Cave Springs, and Tontitown have the potential to outperform projections—if infrastructure investment and land use policies align with demand.

While smaller cities generally show lower growth potential, notable exceptions may emerge. One such outlier is Gravette, which is not fully captured in standard projections but may experience significant growth due to the recent annexation of land along the I-49 corridor—a move that could reshape its development trajectory.



Low is the demographic forecast by NWARPC and high is an extrapolated housing absorption, demonstrating potential growth if housing policy and production were aligned.

INDEXED GROWTH



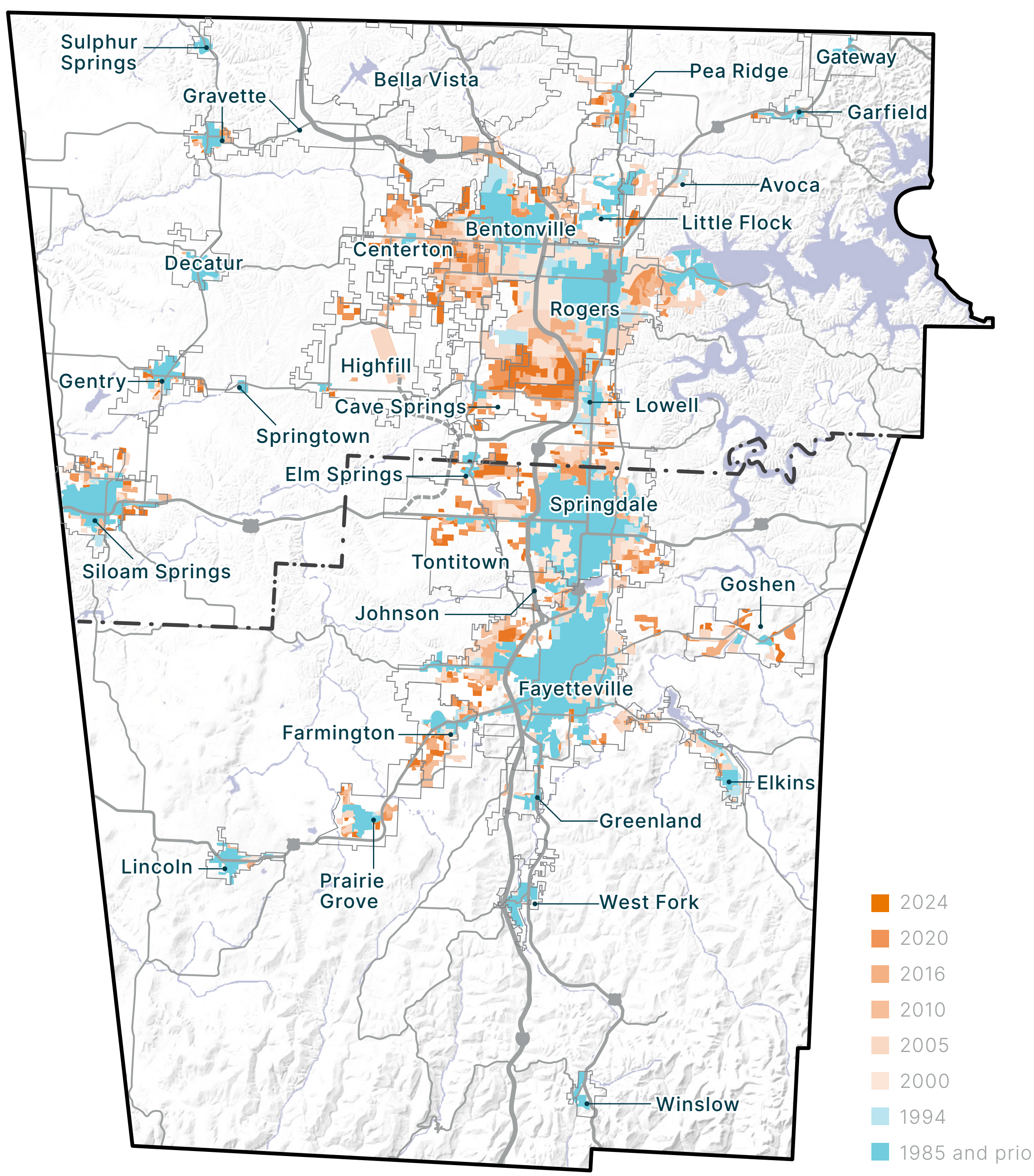
Historic Growth

Land Development Patterns

Over the past four decades, Northwest Arkansas has experienced a dramatic expansion in developed land area—nearly doubling over this period. In 1985, Fayetteville and Springdale were the dominant urban centers, nearly equal in size and significantly larger than other cities. At that time, Bentonville and Rogers had developed footprints similar to Siloam Springs, and many other communities—such as Lincoln and Decatur—remained small towns with limited development.

Since then, cities located along the I-49 corridor, especially in Benton County, have undergone substantial expansion. The Big 4—Fayetteville, Springdale, Rogers, and Bentonville—have increased their developed land area by approximately 240%, with growth particularly concentrated in Rogers and Bentonville. This expansion has shifted the region's identity from a collection of mid-sized cities to a metropolitan core anchored by these four. Mid-sized cities grew most significantly when situated along I-49 or adjacent to one of the Big 4, underscoring the corridor's powerful influence on urban expansion. Meanwhile, small cities also posted high growth rates, but those figures can be misleading—stemming from small starting points, where even modest acreage gains produce large percentage changes without fundamentally reshaping the community's scale.

DEVELOPED AREA BY YEAR

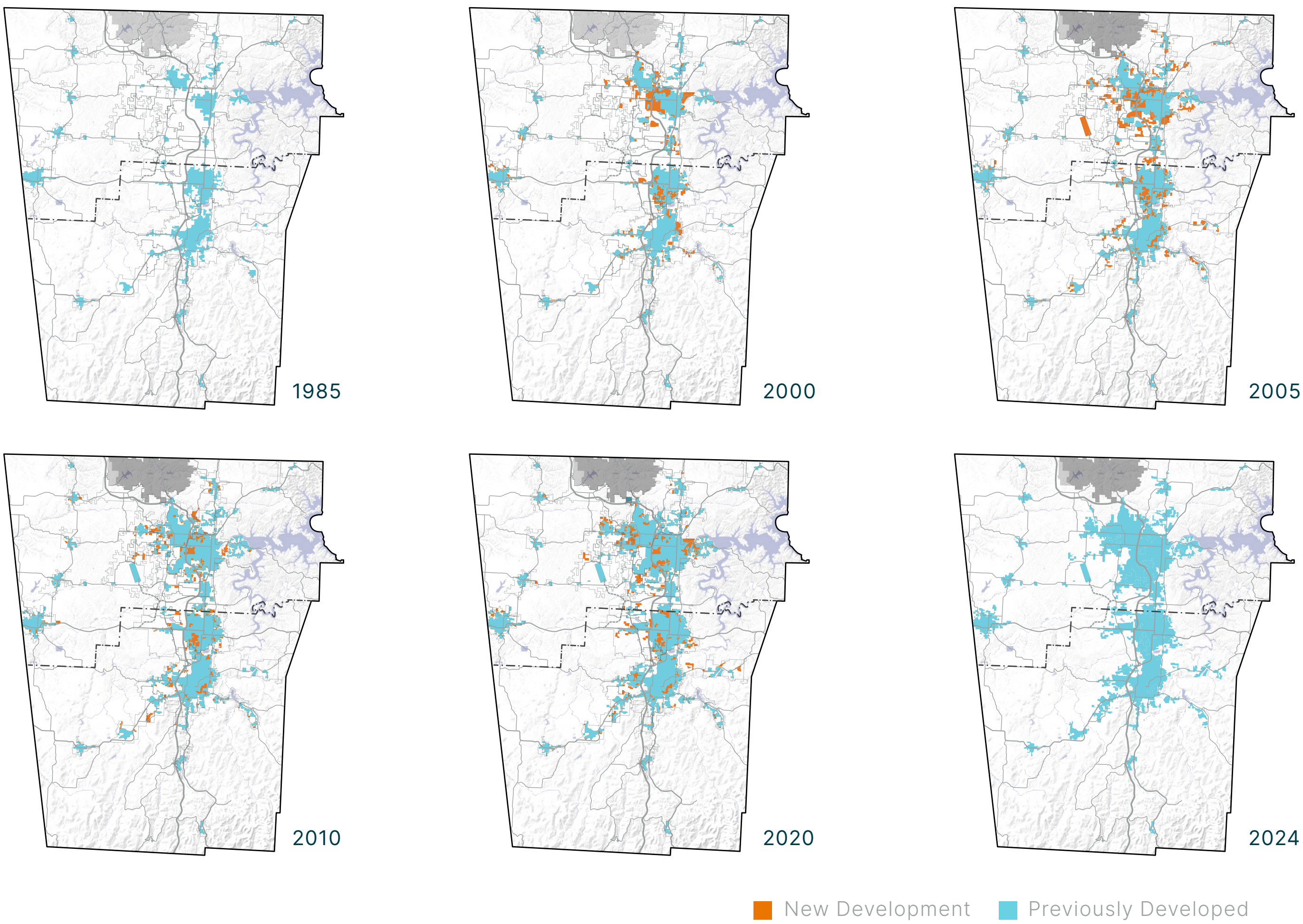


The regional growth trajectory diverged in the mid-1990s, when the Big 4 began accelerating their expansion. Between 1995 and 2005, their developed land area jumped from approximately 32,000 acres to 52,000 acres—a 63% increase in just a decade. This period marks the most rapid urban transformation in the region's history. Since 2005, mid-sized cities have kept pace with the Big 4 in annual land development, each contributing similar acreage increases. In contrast, small cities have seen limited expansion, maintaining their role as low-density residential and rural communities.

Importantly, despite this widespread physical expansion, the overall average density of residential development across the region has remained relatively constant. New development patterns have largely followed traditional low-density models, meaning that population and housing growth have been closely tied to land consumption. This consistent density reinforces the need to consider long-term impacts on infrastructure, transportation, and land supply as the region continues to grow.

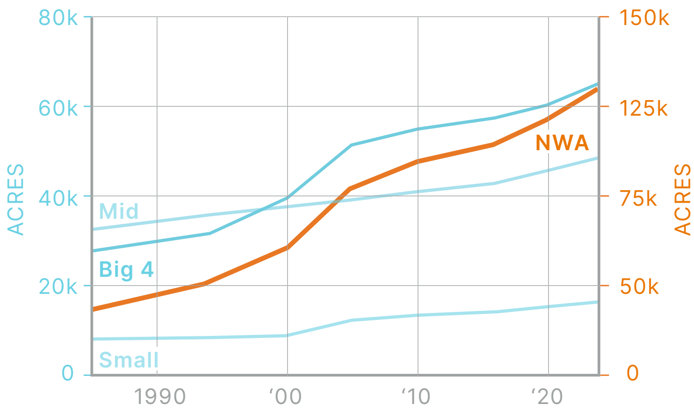
Note that Bella Vista's growth is not tracked like other places because their homes have been built sparsely in a generally non-contiguous, lot-by-lot manner. This development area has been excluded from the maps and associated data.

GROWTH MAPS

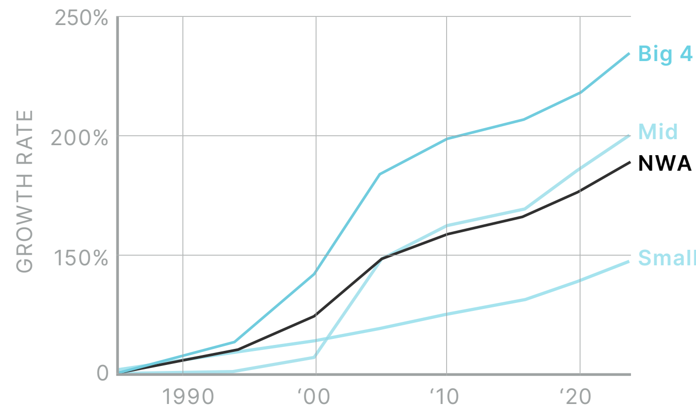


GROWTH IN DEVELOPED ACRES

GROWTH IN ACREAGE



INDEXED GROWTH RATE



Where People Are From

In-Migration Patterns

Northwest Arkansas continues to experience strong population growth, driven largely by in-migration from both within Arkansas and across the country. Roughly 19% of the region's residents moved in the past year, with over three-quarters relocating from outside their current county. This includes 4.1% from out of state, 8.2% from another Arkansas county, and 3.2% from within the same county. While most movers remain in-state, the volume of out-of-state newcomers reflects the region's growing national appeal.

Fayetteville leads the region in total in-migration, drawing the largest number of new residents—including the highest volume of out-of-state movers. This trend reflects the city's role as a university hub and cultural anchor. Bentonville and Rogers follow, benefiting from strong job markets and the presence of national employers. The Big Four cities, including Springdale, attract the majority of all new residents, particularly those moving from out of state, compared to mid-sized and small cities.

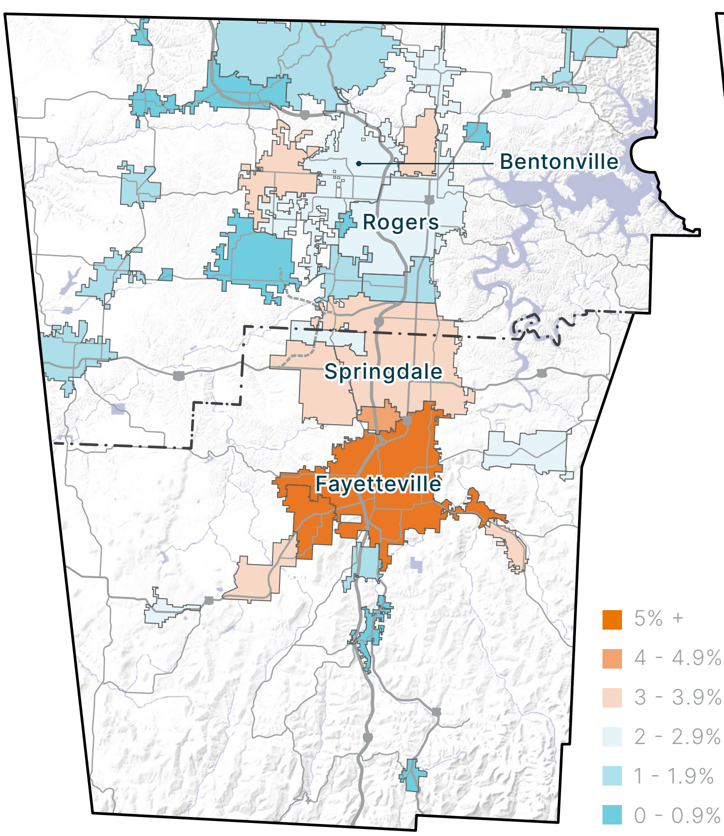
Among mid-sized cities, Centerton and Bella Vista stand out for their high shares of out-of-state migration. Their proximity to Bentonville and Rogers makes them increasingly attractive to newcomers. Siloam Springs also draws a substantial number of movers, supported by its own employment base and institutional anchors.

Several small cities, though limited in population, show notable migration trends. Johnson, in particular, has a high share of newcomers for its size—likely a function of its location along I-49 and growing housing options. Elm Springs and Gentry also punch above their weight in terms of out-of-state migration, while most other small cities remain more locally oriented.

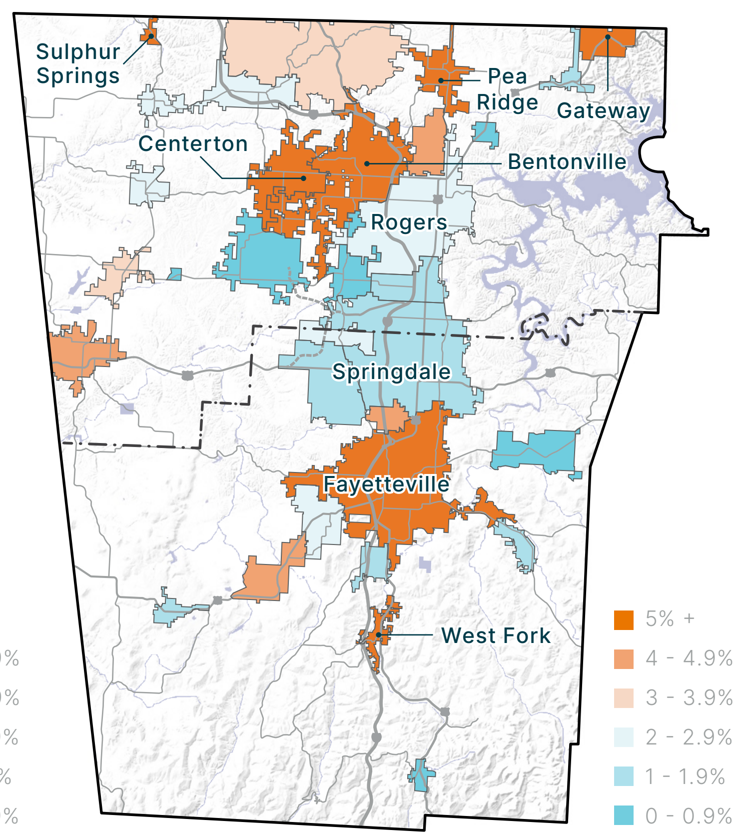
Importantly, migration trends differ when viewed by percentage versus total volume. While some small and mid-sized cities have high shares of out-of-state movers, Fayetteville dominates in total numbers, followed by Bentonville and Rogers. Bentonville attracts four times more out-of-state movers than any city except Rogers and Fayetteville. While Springdale's out-of-state count is smaller than Bentonville and Rogers, it exceeds them in in-state migration.

Compared with peer metro areas, Northwest Arkansas's 4.1% out-of-state migration rate is moderate. Austin (6.6%) and Raleigh–Durham (with 31% international movers alone) show even greater national and global pull. Still, the combination of strong in-state migration and steady national inflow positions Northwest Arkansas as one of the most dynamic and mobile regions in the central U.S.

As economic opportunity grows and awareness spreads, the region is poised to continue welcoming new residents—expanding its labor force, diversifying its communities, and reinforcing its position as a rising destination in the national landscape.



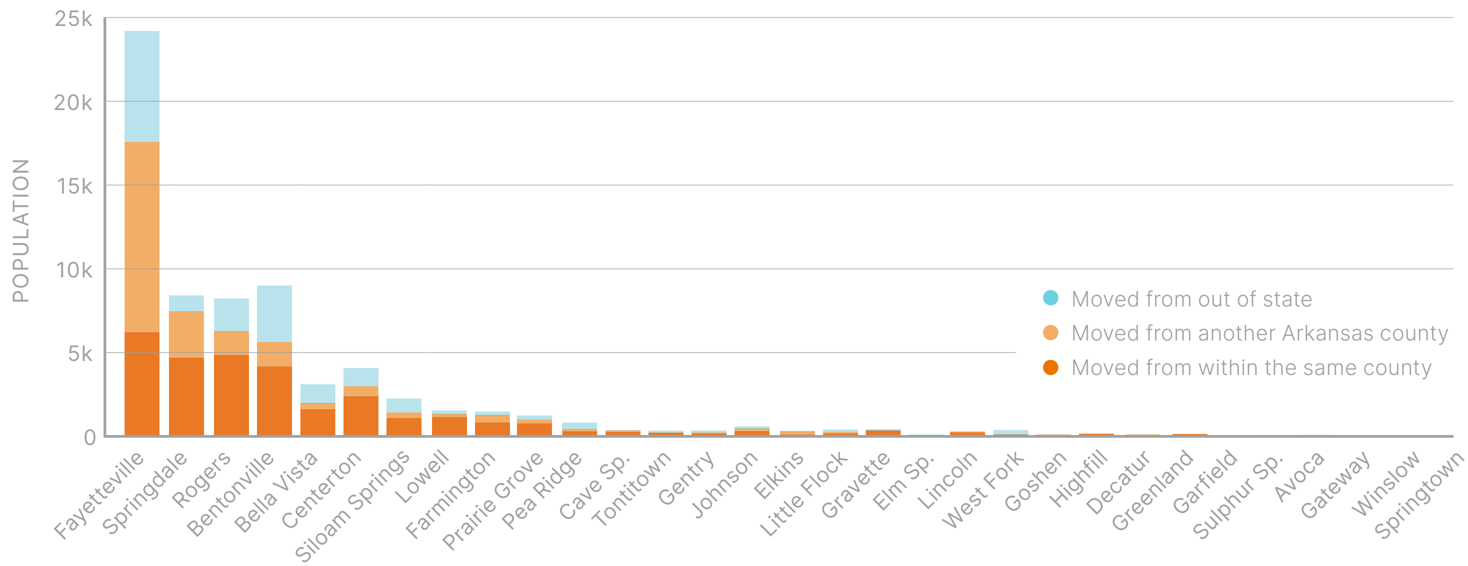
PERCENT OF RESIDENTS WHO MOVED FROM A DIFFERENT COUNTY IN ARKANSAS IN THE PAST YEAR



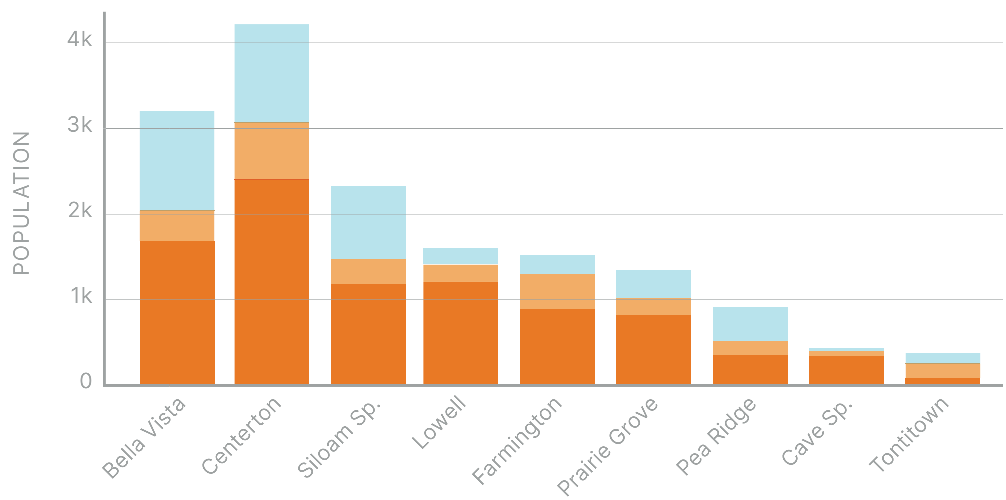
TOTAL POPULATION WHO MOVED FROM OUT OF STATE IN THE PAST YEAR

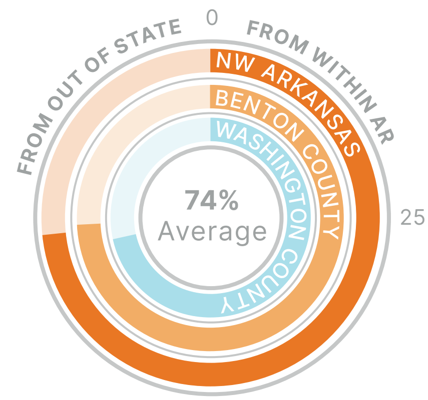
IN-STATE & OUT-OF-STATE NEW ARRIVALS BY CITY

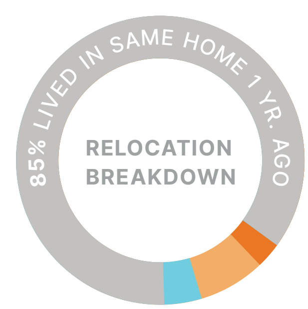
ALL CITIES



MID-SIZED CITIES

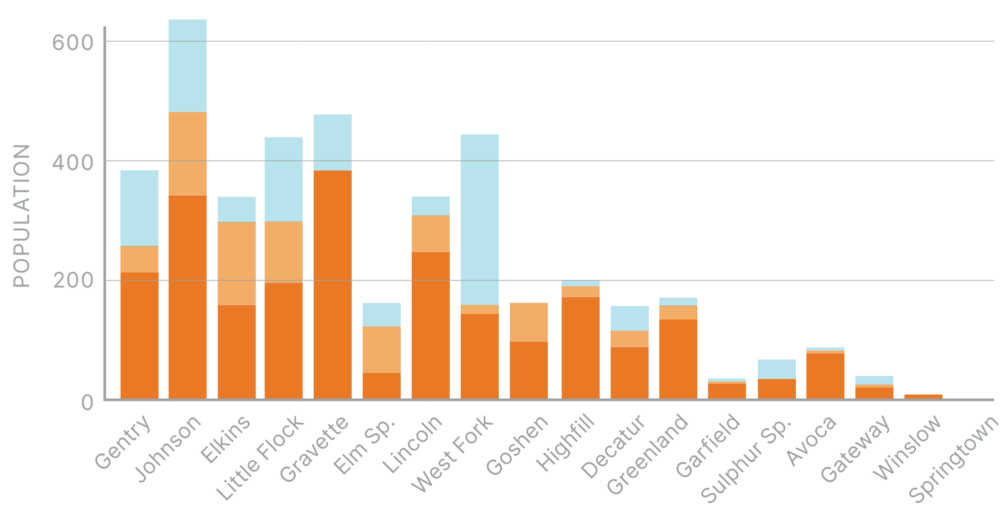


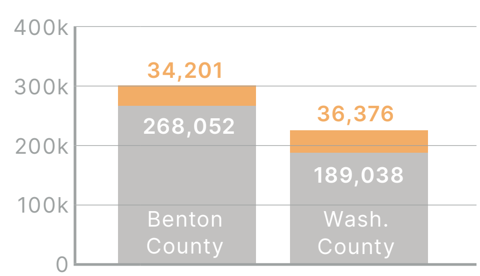




- **3%** Moved in the last year
- **8%** Lived in same home last year
- **4%** Moved from out of state

SMALL CITIES





- **19%** Moved in the last year
- **81%** Lived in the same home last year

Diversity

Ethnicity and Heritage of NWA Residents

Northwest Arkansas has experienced a profound demographic transformation over the past 30 years. While the region remains less diverse than the nation and most peer metropolitan areas, its trajectory of change has been among the most significant in the country. In 1990, the region's population was overwhelmingly white, with virtually no racial or ethnic diversity. Today, more than 30% of the population identifies as non-white, a remarkable shift over just three decades.

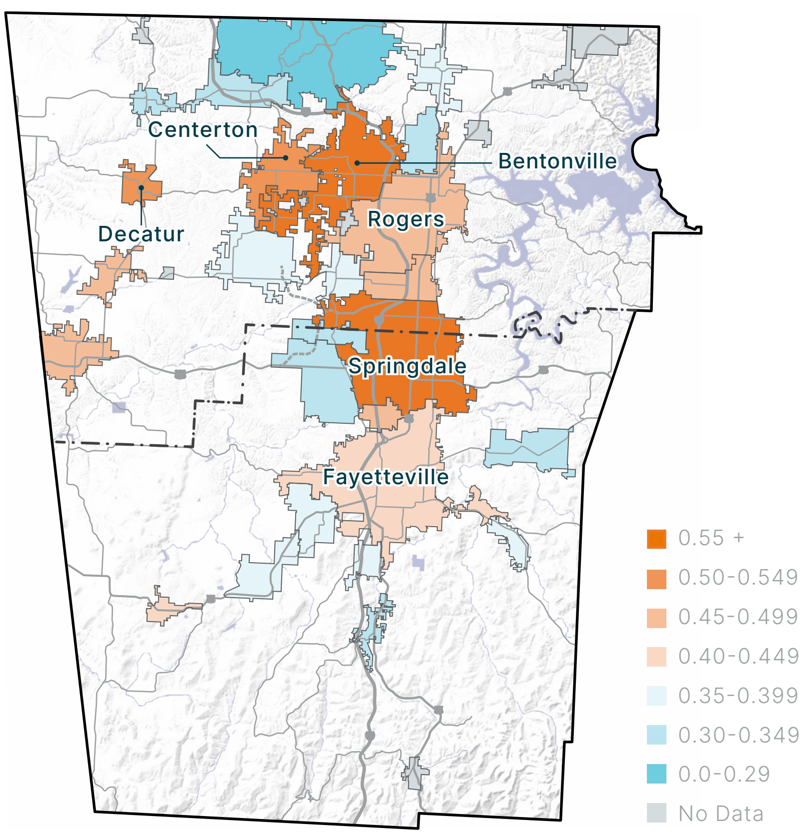
This growth in diversity has been driven most notably by the rapid expansion of the Hispanic population, which has grown at a pace exceeding overall regional population growth. The Asian and Pacific Islander population has also increased substantially—particularly in recent years—now aligning closely with national percentages, due in part to international employment migration. Meanwhile, multiracial populations and individuals identifying with groups not historically well-represented in Census categories have increased, especially in Benton County, though this trend has been less pronounced in Washington County.

Despite these gains, Northwest Arkansas remains underrepresented in its Black population, especially when compared to national levels. While Washington County has seen modest growth in its African American population, Benton County remains notably less representative, and overall, the region has not kept pace with national trends, which themselves have changed little over the same period.

Today, diversity in Northwest Arkansas continues to expand, and the region is rapidly narrowing the gap with national and peer region averages, though it still lags behind. Both Benton and Washington counties have contributed equally to this change, though patterns differ within cities. The Big 4 cities—Fayetteville, Springdale, Rogers, and Bentonville—are significantly more diverse than other parts of the region, with Springdale and Bentonville standing out for their racial and ethnic composition.

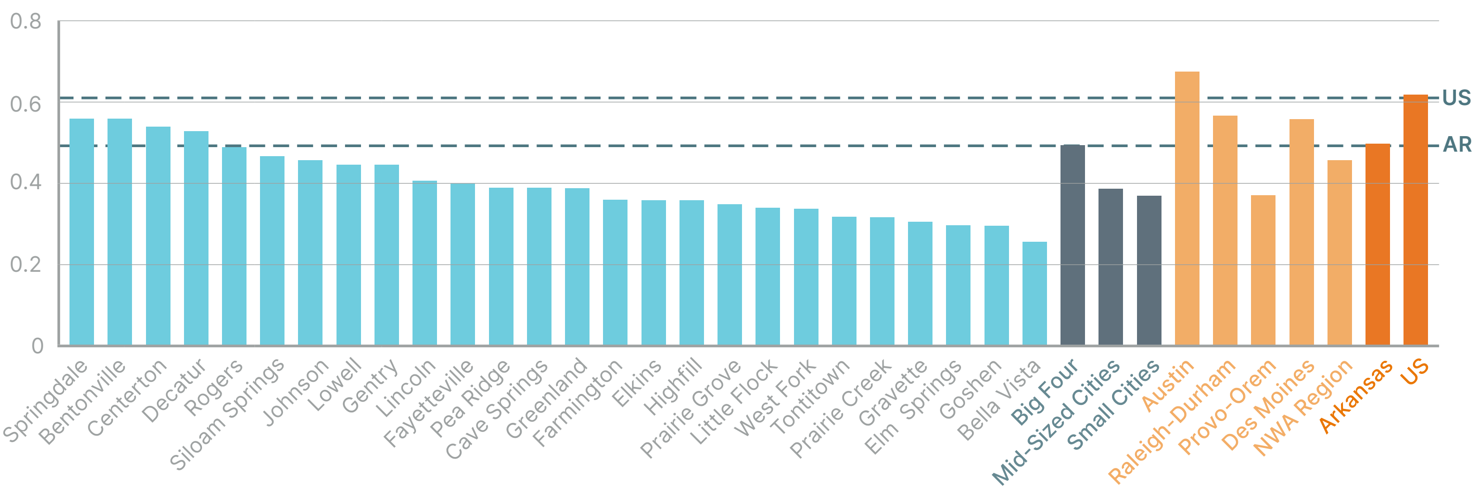
Among smaller communities, Centerton and Decatur are notable exceptions. Centerton, a fast-growing emerging city, and Decatur, a small rural town, both exhibit higher-than-expected diversity compared to their peers. Still, mid-sized and small cities collectively remain the least diverse parts of the region, falling well below the diversity seen at the state, national, and peer metro levels.

While Northwest Arkansas has made substantial progress, its most diverse cities still only slightly exceed the state average and remain well behind national norms. Continued demographic change is likely, especially with ongoing immigration and in-migration driven by economic opportunity. However, bridging the gap with national diversity levels will require intentional planning, inclusive community engagement, and expanded housing and economic opportunities that support a more representative population across all city types.

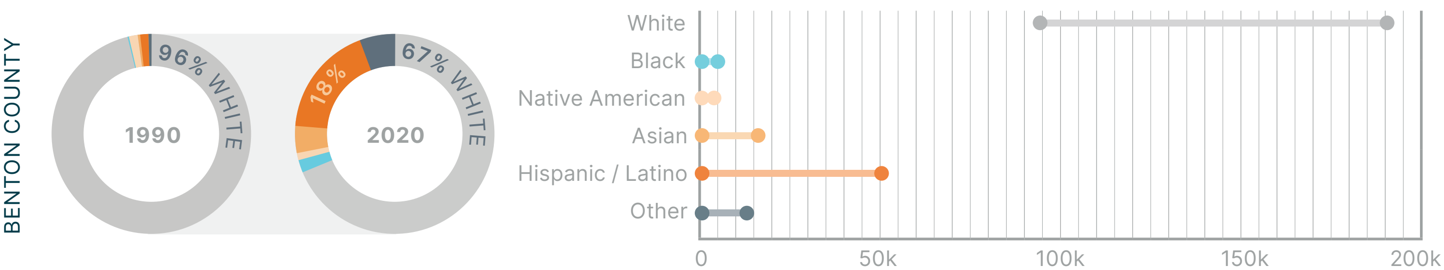


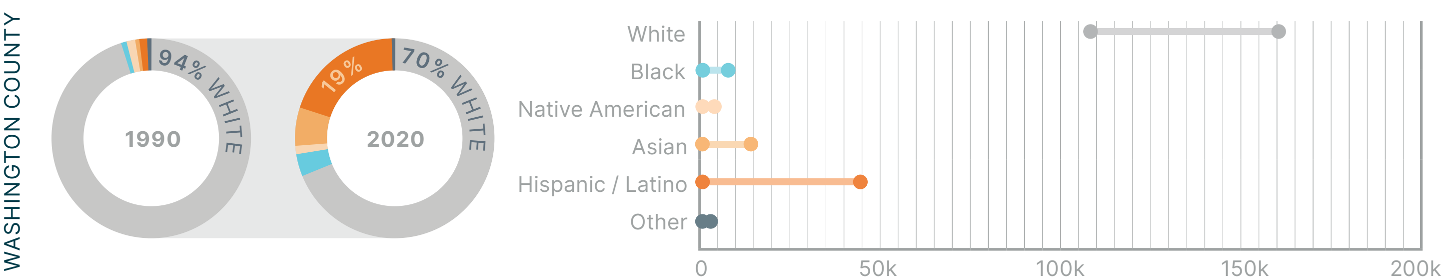
POPULATION DIVERSITY USING THE SIMPSON DIVERSITY INDEX

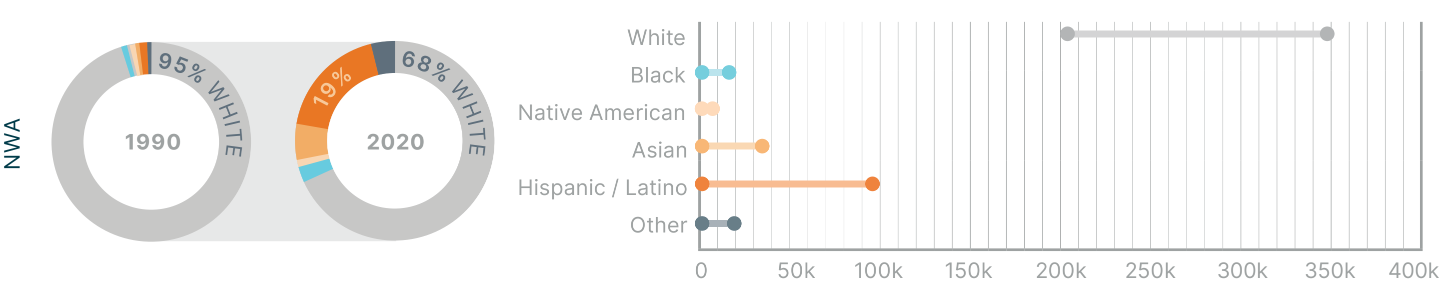
SIMPSON DIVERSITY INDEX - COMPARISON

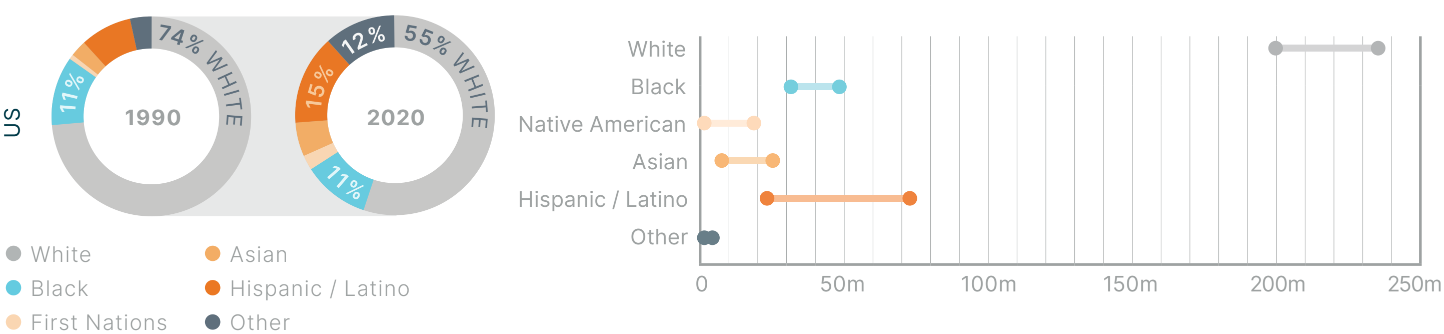


RACE & ETHNICITY: 1990 - 2020









Age & Household Types

Who Lives in Different Types of Communities

Northwest Arkansas has a noticeably younger population than both Arkansas and the United States overall. It also trends younger than peer regions such as Austin and Raleigh-Durham, despite having a similar average household size. While it does not match the larger households seen in Provo-Orem, driven by religious influences, Northwest Arkansas's comparable median age suggests that larger families with children are a key contributor to its youthful demographic profile.

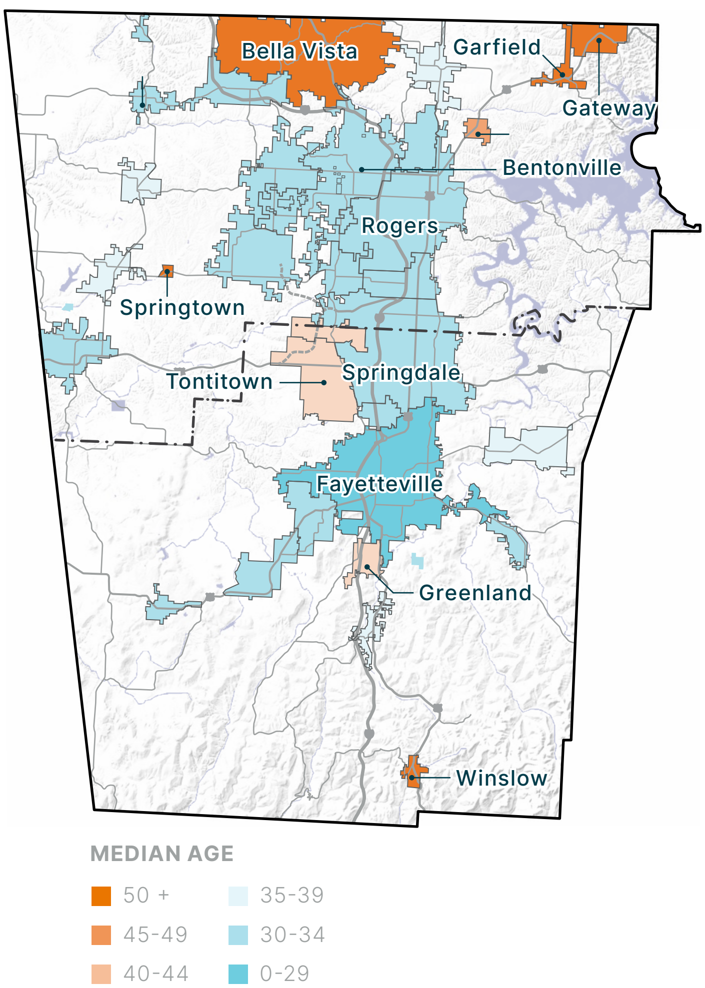
Within the region, the Big 4 cities—Fayetteville, Springdale, Rogers, and Bentonville—have the youngest populations. Fayetteville leads due to the presence of the University of Arkansas, followed closely by Bentonville, whose economic growth continues to attract young professionals and families. Siloam Springs and Prairie Grove, though categorized as mid-sized cities, also have relatively young populations, distinguishing them from other mid-sized peers.

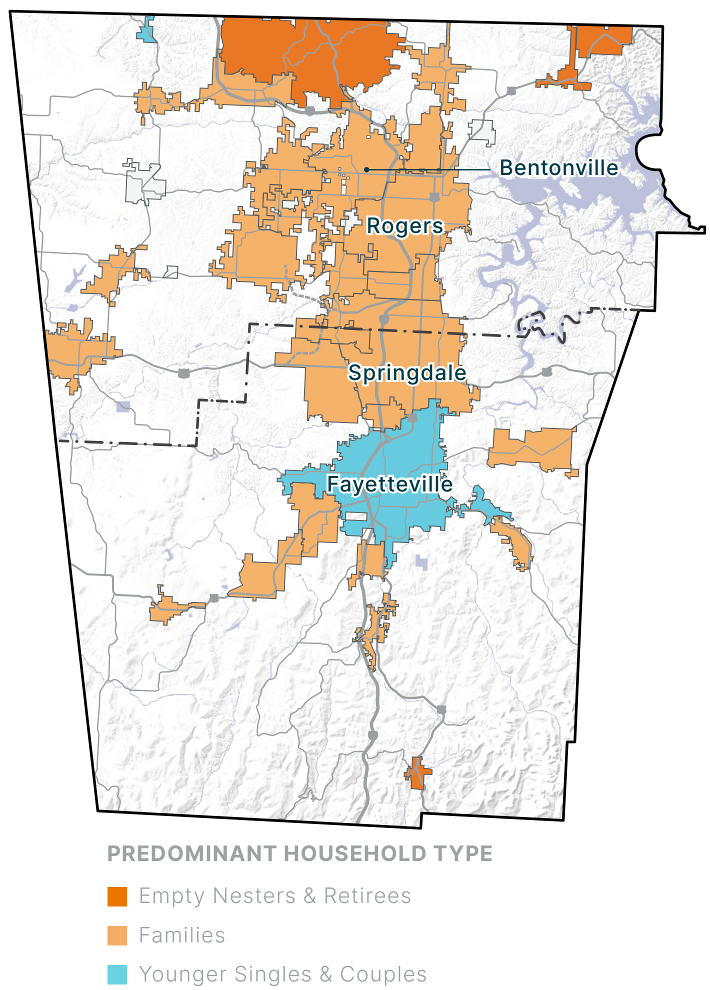
In contrast, mid-sized cities as a group tend to have higher median ages, driven primarily by the influence of Bella Vista, which has a large retiree population and significantly skews the average upward. While small cities in the region also host significant older populations, they tend to have a more balanced age structure. Many small towns have maintained younger median ages due to the presence of young families, setting them apart from small cities elsewhere in the country, where aging populations have become a growing economic concern.

County-level variation reinforces these patterns. Mid-sized cities in Washington County are younger on average than those in Benton County, which overall skews slightly older than the national median. Yet even in Benton County, demographic diversity is evident, with some smaller communities contributing to a broader age mix.

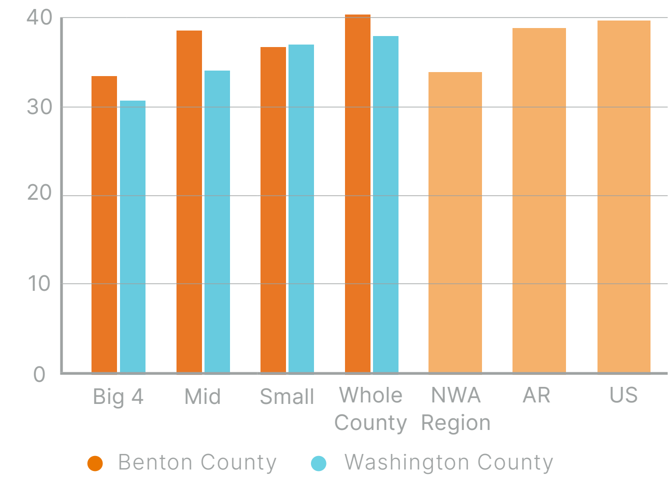
Notably, household size does not closely correlate with median age. This suggests a mix of household types, including young families, shared housing, and non-traditional arrangements. On average, households in Northwest Arkansas are larger than the national average and on par with peer metro areas, reflecting the region's appeal to working-age families and its strong economic fundamentals.

Mid-sized cities have the highest share of family households in the region—more than either the Big 4 or the small cities. However, their relatively high median age indicates that many of these households have aged in place, while newer, younger families are increasingly settling in the Big 4 and select small towns. The most youthful populations are concentrated along the I-49 corridor, which continues to anchor much of the region's growth. While Fayetteville's median age is lowered by its large student population, other cities along the corridor are characterized by a mix of traditional and non-traditional family households, helping to sustain a relatively low median age across the urban core.

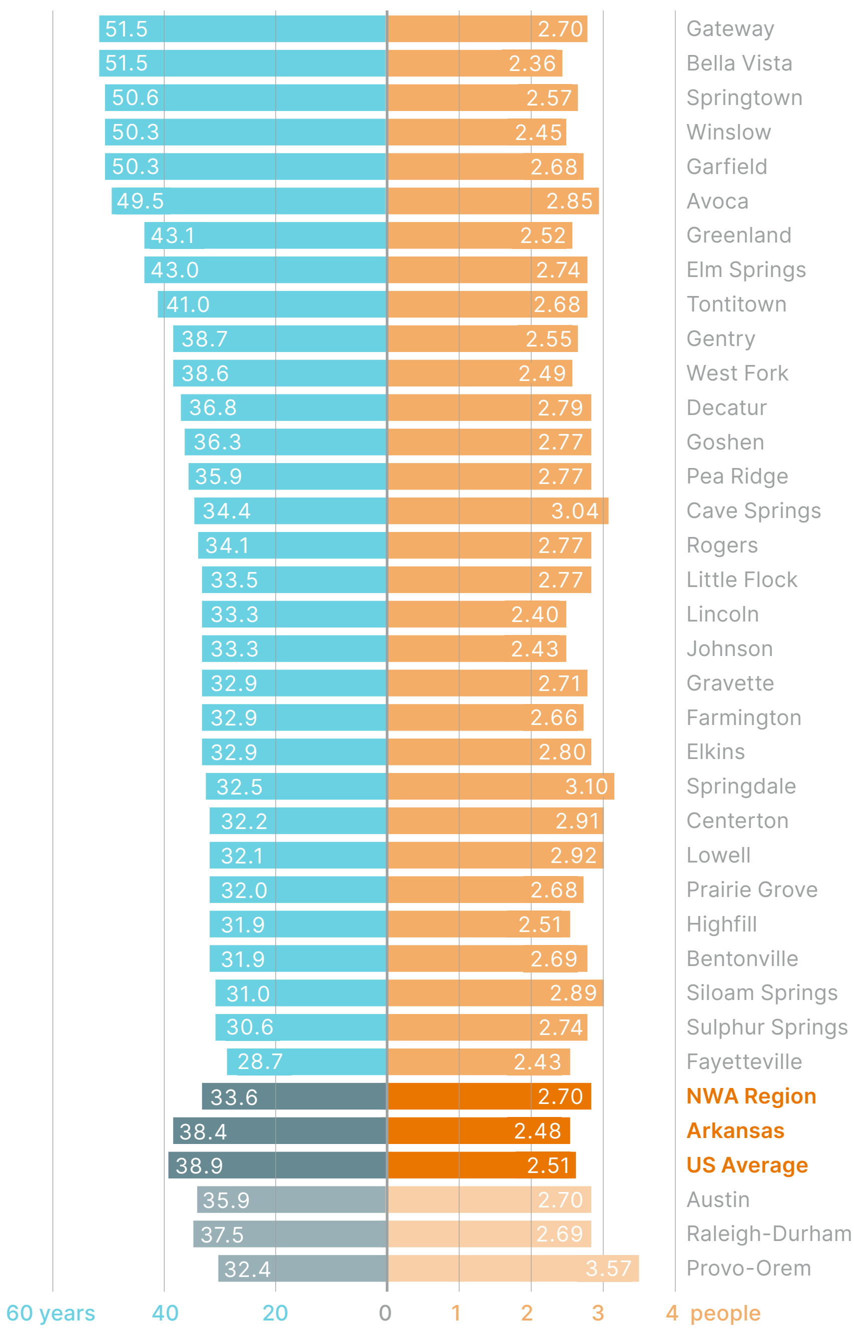




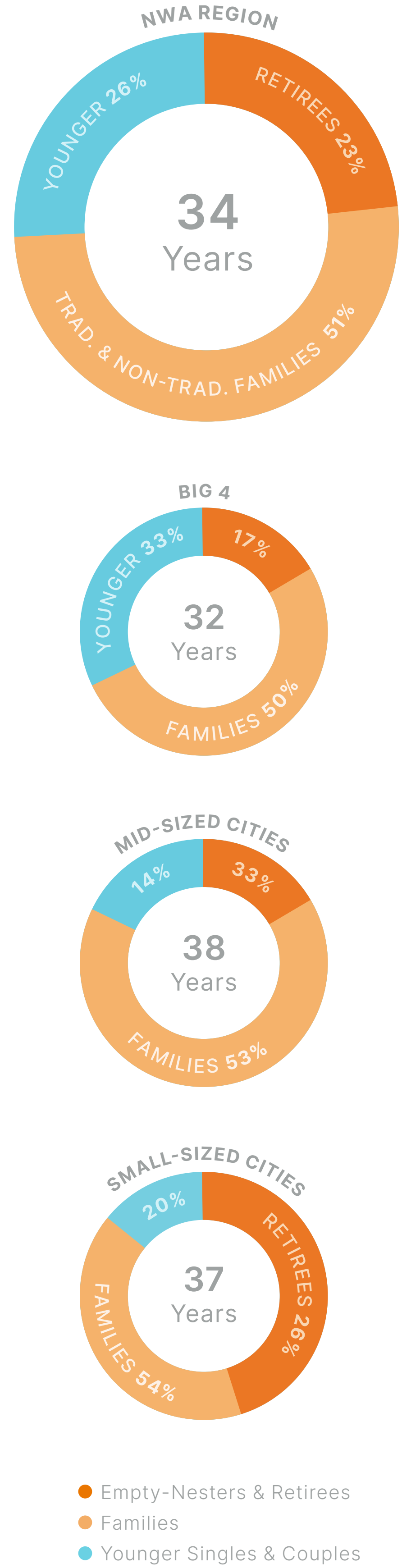
MEDIAN AGE BY COUNTY



MEDIAN AGE AND HOUSEHOLD SIZE



MEDIAN AGE COMPARISON



Education

Educational Attainment Across NWA Communities

Educational attainment in Northwest Arkansas exceeds the Arkansas state average, with the region's education index—representing the average number of years of schooling completed—at 14.15 years. This places the region in line with the national average, though still below the levels seen in most peer metros. The data underscores the region's relatively strong educational foundation, shaped by income, employment centers, urban form, and proximity to educational institutions, while revealing significant variation between cities and counties.

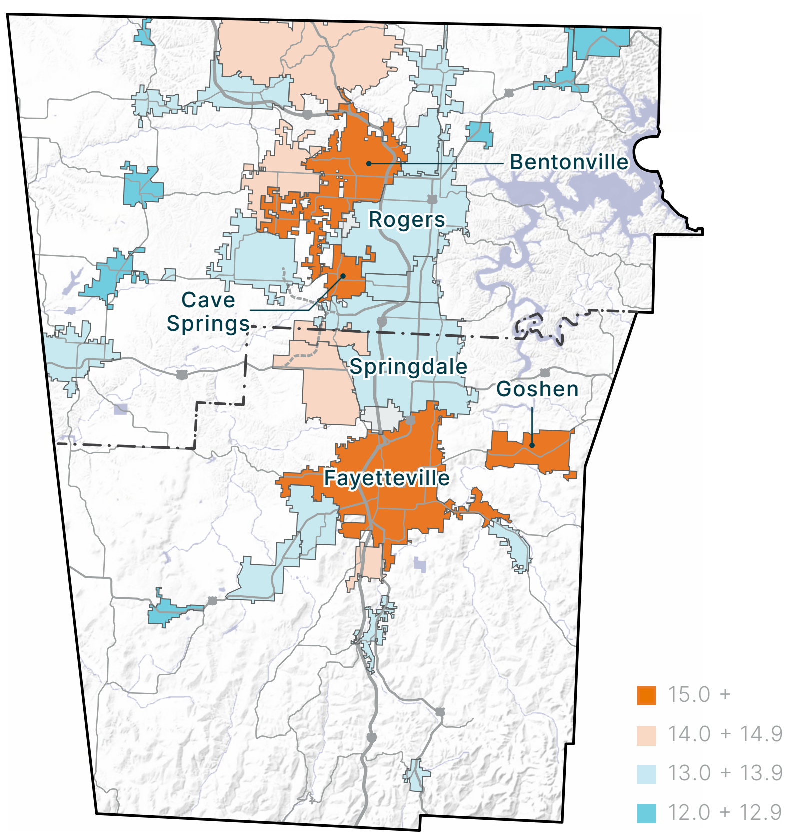
Among city categories, the Big Four—Fayetteville, Springdale, Rogers, and Bentonville—lead the region with an average of 14.25 years, slightly above the national figure. Fayetteville and Bentonville stand out, with over 50% of residents holding undergraduate or graduate degrees. These outcomes reflect the influence of the University of Arkansas in Fayetteville and the corporate economy centered in Bentonville. In contrast, Springdale has considerably lower college attainment, highlighting intra-category differences in educational outcomes even among the largest cities.

Mid-sized cities average 14.09 years of education, closely trailing the Big Four. Several communities punch above their weight: Goshen, Elm Springs, and Tontitown—along with Cave Springs—report college attainment near or above 50%. These cities also report some of the highest incomes in the region, reinforcing a strong correlation between educational achievement and affluence. Their performance suggests that residential composition and income level are stronger drivers of attainment than city size or proximity to higher education.

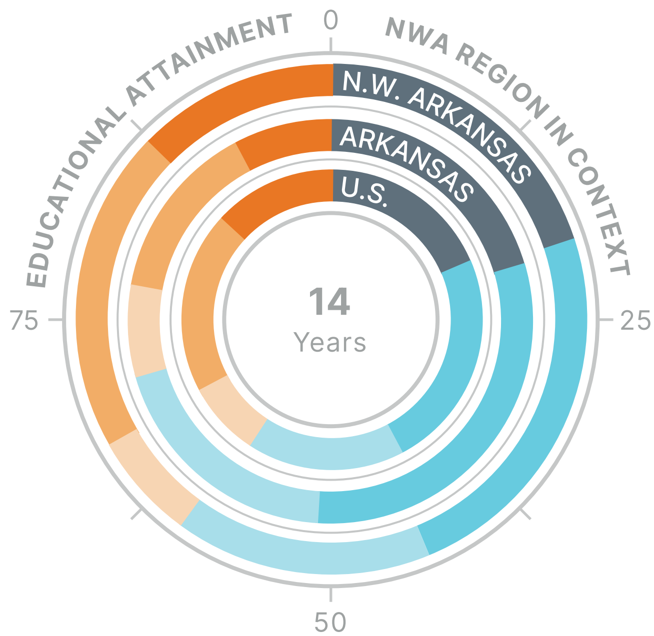
Small cities average just 13.23 years, a figure below the national average but roughly on par with state levels. Even within this group, disparities are clear. Cave Springs, Centerton, and Bella Vista, all in Benton County, show notably high levels of educational attainment. By contrast, Decatur, Gentry, and Lincoln—also in Benton County—rank near the bottom, illustrating the stark contrasts that exist within close geographic proximity.

At the county level, Benton County contains both the highest and lowest performing communities, reflecting greater internal variability. In contrast, Washington County, anchored by Fayetteville and other consistently educated cities, shows a more uniform distribution of mid-to-high attainment.

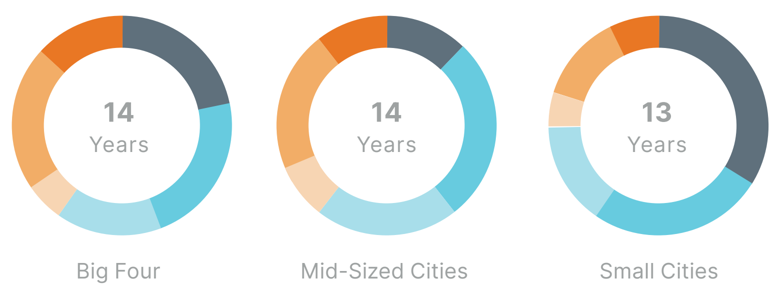
In the national context, Northwest Arkansas aligns closely with the U.S. average across most categories. The region outperforms Des Moines but trails more educated peers like Austin, Provo-Orem, and Raleigh–Durham. Still, its leading cities—Goshen, Cave Springs, Bentonville, and Fayetteville—match or exceed the averages of these benchmark metros, signaling a growing segment of highly educated communities within a diversifying regional landscape, but primarily focused within its most affluent communities.



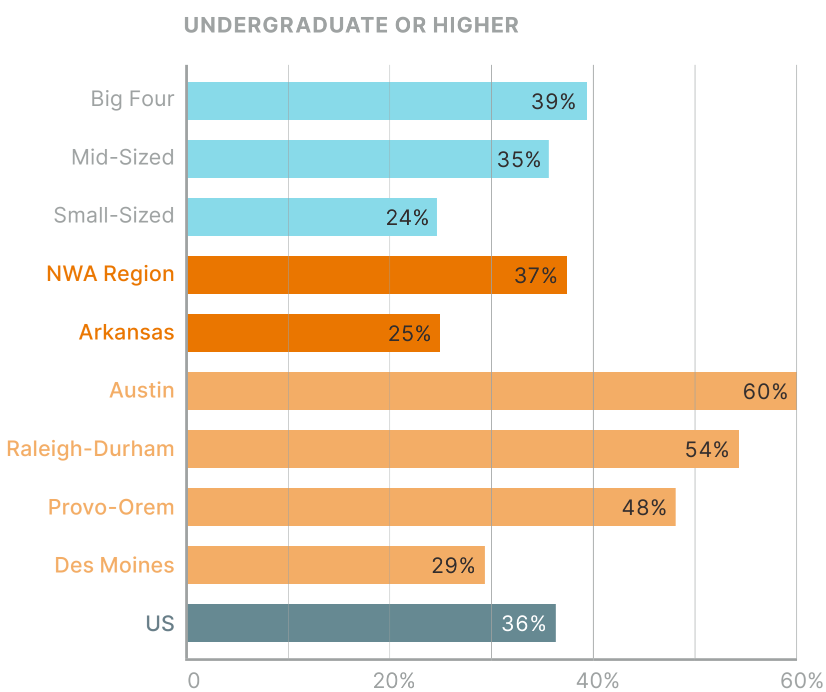
EDUCATION INDEX (AVG. YEARS OF EDUCATION ATTAINED)



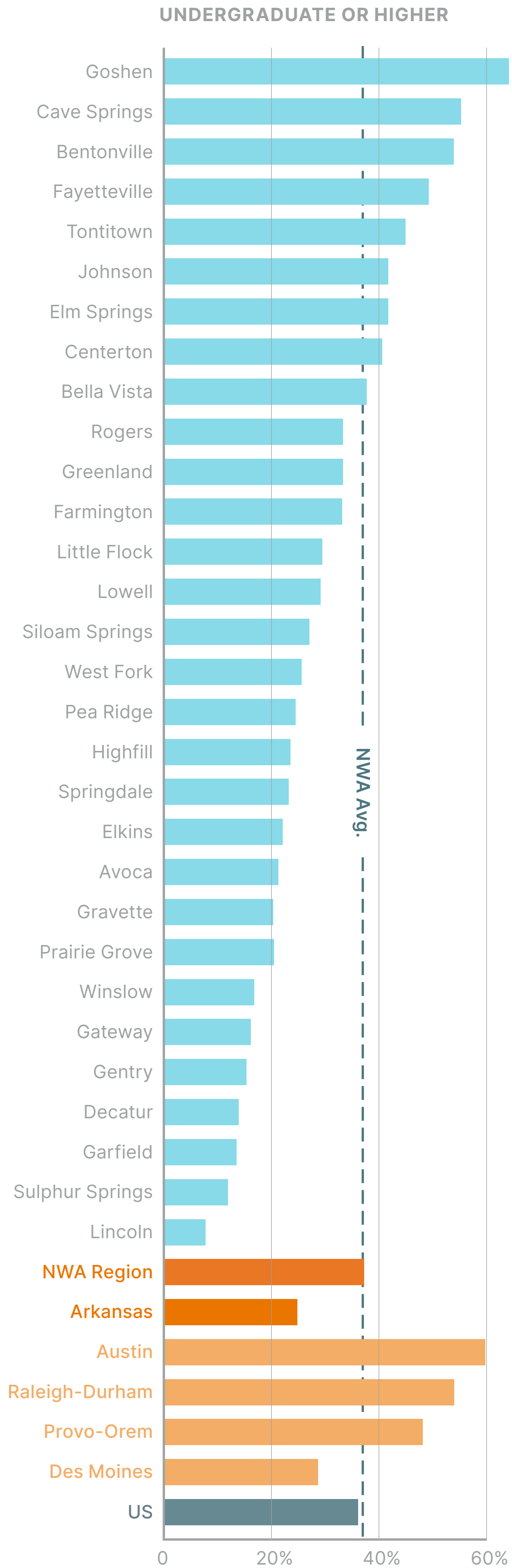
EDUCATIONAL ATTAINMENT
NWA REGION IN CONTEXT
0
25
50
75
N.W. ARKANSAS
ARKANSAS
U.S.
14
Years
Graduate or Professional
Bachelors Degree
Associates
Some College
High School or GED
No Diploma



14
Years
Big Four
14
Years
Mid-Sized Cities
13
Years
Small Cities



UNDERGRADUATE OR HIGHER
Big Four
39%
Mid-Sized
35%
Small-Sized
24%
NWA Region
37%
Arkansas
25%
Austin
60%
Raleigh-Durham
54%
Provo-Orem
48%
Des Moines
29%
US
36%
0
20%
40%
60%



UNDERGRADUATE OR HIGHER
Goshen
Cave Springs
Bentonville
Fayetteville
Tontitown
Johnson
Elm Springs
Centerton
Bella Vista
Rogers
Greenland
Farmington
Little Flock
Lowell
Siloam Springs
West Fork
Pea Ridge
Highfill
Springdale
Elkins
Avoca
Gravette
Prairie Grove
Winslow
Gateway
Gentry
Decatur
Garfield
Sulphur Springs
Lincoln
NWA Region
Arkansas
Austin
Raleigh-Durham
Provo-Orem
Des Moines
US
NWA Avg.
0
20%
40%
60%

Regional Economy

Earnings & Household Incomes

Household incomes in Northwest Arkansas have grown steadily over the past two decades, with inflation-adjusted earnings now exceeding both state and national averages. Since 2015, regional income growth has consistently outpaced national trends, signaling an expanding economy anchored by corporate headquarters and a rising demand for housing. But this economic success is uneven—income levels vary sharply across the region, shaped by proximity to employment centers, housing types, and the role each community plays in the broader regional system.

Mid-sized cities report the highest average household incomes, outpacing the Big Four—Fayetteville, Springdale, Rogers, and Bentonville. However, mid-sized cities also show the widest income disparities, with the largest share of households earning less than $25,000. This reflects a sharp divide between mid-sized communities offering high-end housing—like Cave Springs and Pea Ridge—and those with more modest employment bases and housing stock.

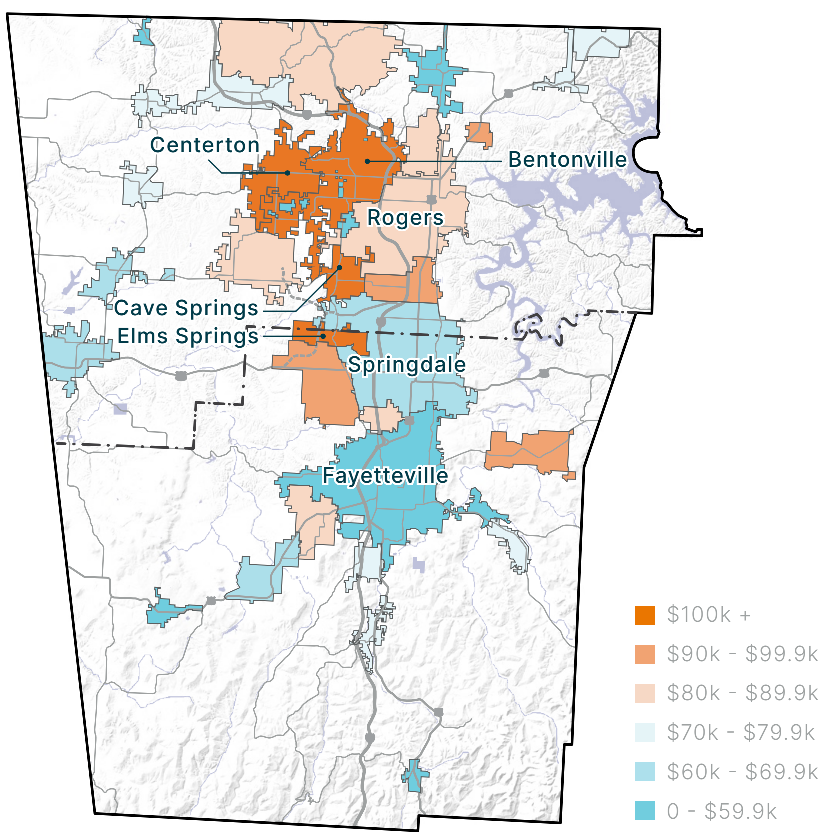
In the Big Four, income patterns are mixed. Bentonville stands out with the highest median income among major cities, while Fayetteville and Springdale fall well below the regional average, influenced by student populations and legacy housing. Rogers aligns closely with the regional norm. The Big Four also report the lowest share of high-income households (over $75,000), suggesting these larger cities host a broader mix of incomes, including more affordable and renter-heavy neighborhoods.

Among small cities, most fall below regional and national income benchmarks, but several outliers—Cave Springs, Goshen, Pea Ridge, Centerton, and Elm Springs—report median household incomes above $100,000. These communities draw higher-income households either through proximity to major job centers (Bentonville and Lowell) or by offering exclusive, low-density residential settings, as seen in Goshen, which stands apart for its wealth and seclusion.

The regional income map highlights this concentration of prosperity in Benton County, particularly around Bentonville and Lowell. In contrast, southern Washington County and eastern Benton County—including Winslow, West Fork, and Hindsville—have median incomes below $60,000, reinforcing the uneven geography of opportunity.

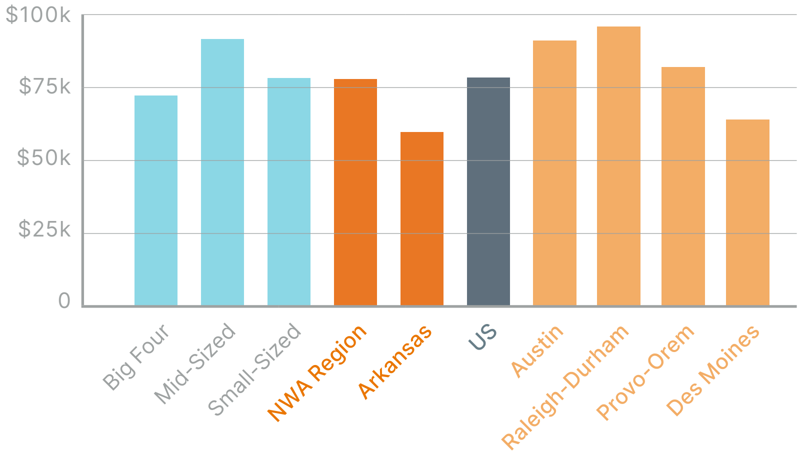
Income distribution patterns further underscore this complexity. Small cities collectively have the lowest share of low-income households, but also some of the most affluent outliers. The Big Four contain a broader spread, with both low- and middle-income households predominating and fewer high earners overall.

Rather than aligning neatly with city size, household income in Northwest Arkansas reflects a more complex pattern of opportunity and access. Affluent households concentrate in places offering either proximity to high-paying jobs or distinctive residential settings, while lower-income households are more prevalent in cities further from employment hubs or with aging housing stock. These patterns reinforce the need to address affordability and opportunity across diverse community types—not just between categories, but within them.

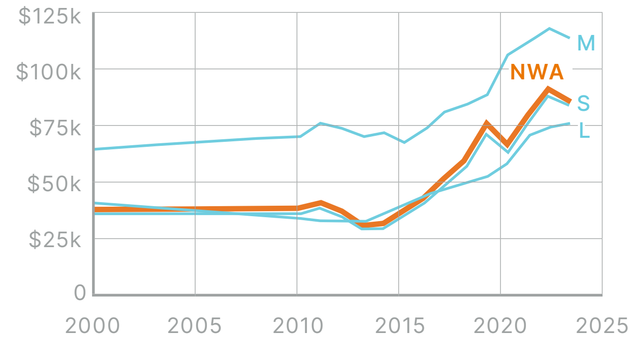


MEDIAN HOUSEHOLD INCOME

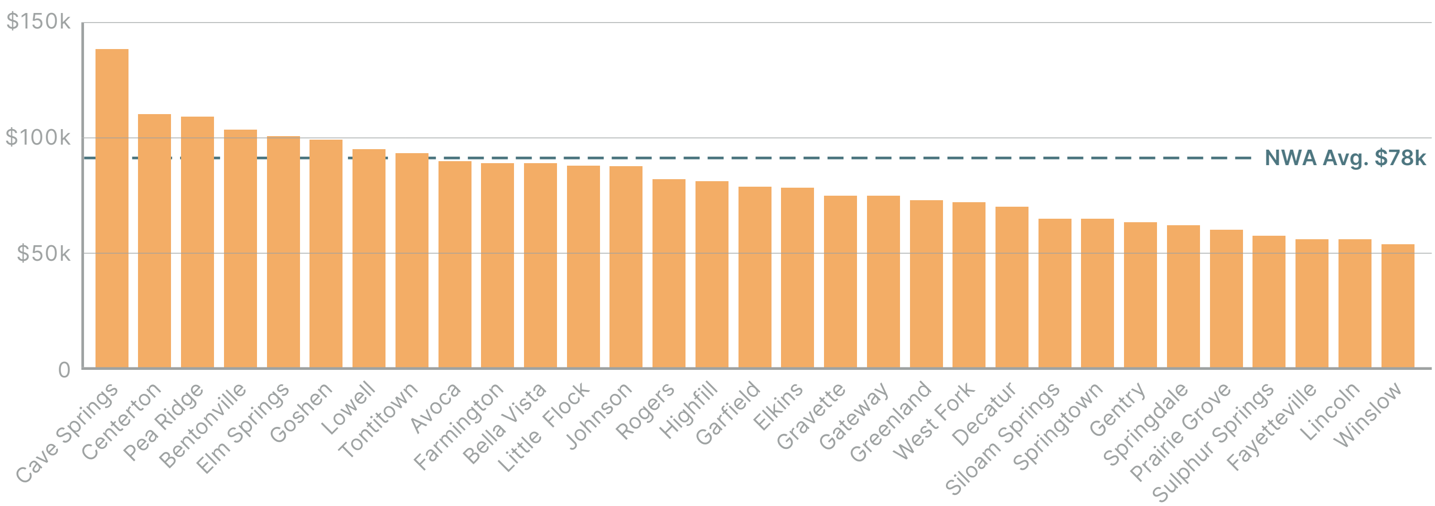
MEDIAN HOUSEHOLD INCOME BY CITY SIZE & REGION



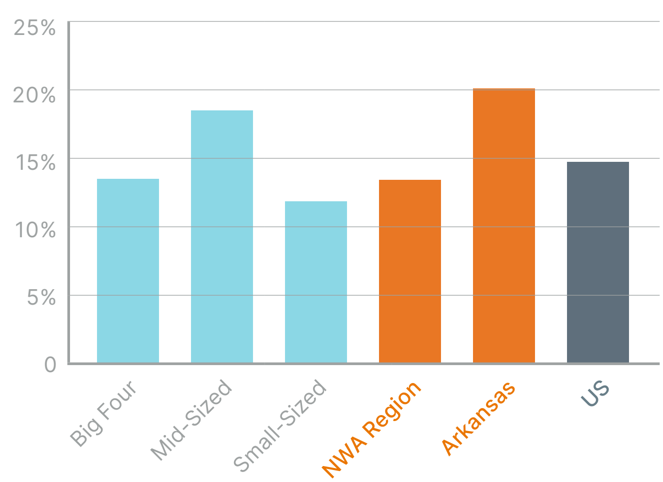
HOUSEHOLD INCOME OVER TIME (INFLATION ADJUSTED DOLLARS)



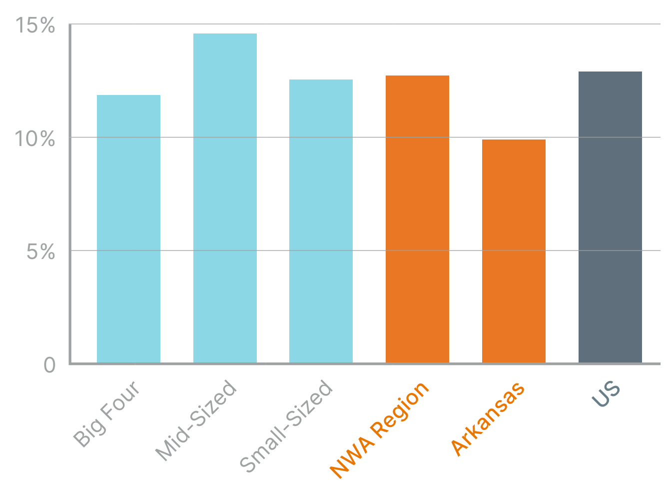
MEDIAN HOUSEHOLD INCOME BY CITY



PERCENTAGE OF HOUSEHOLDS WITH INCOME < $25K



PERCENTAGE OF HOUSEHOLDS WITH INCOME > $75K



Sources of Revenue

Property Tax & Sales Tax in NWA Communities

Municipal revenue in Arkansas is more dependent on sales tax than in any other state. Whereas most states rely heavily on property tax for local government funding, Arkansas directs the majority of property tax revenue to school districts. As a result, only about 12% of municipal revenue comes from property taxes. Cities instead receive approximately 60% from sales taxes and 28% from other sources, including permits, fees, grants, and state or federal programs. These funds support essential public services—from police and fire protection to road maintenance, parks, and city administration.

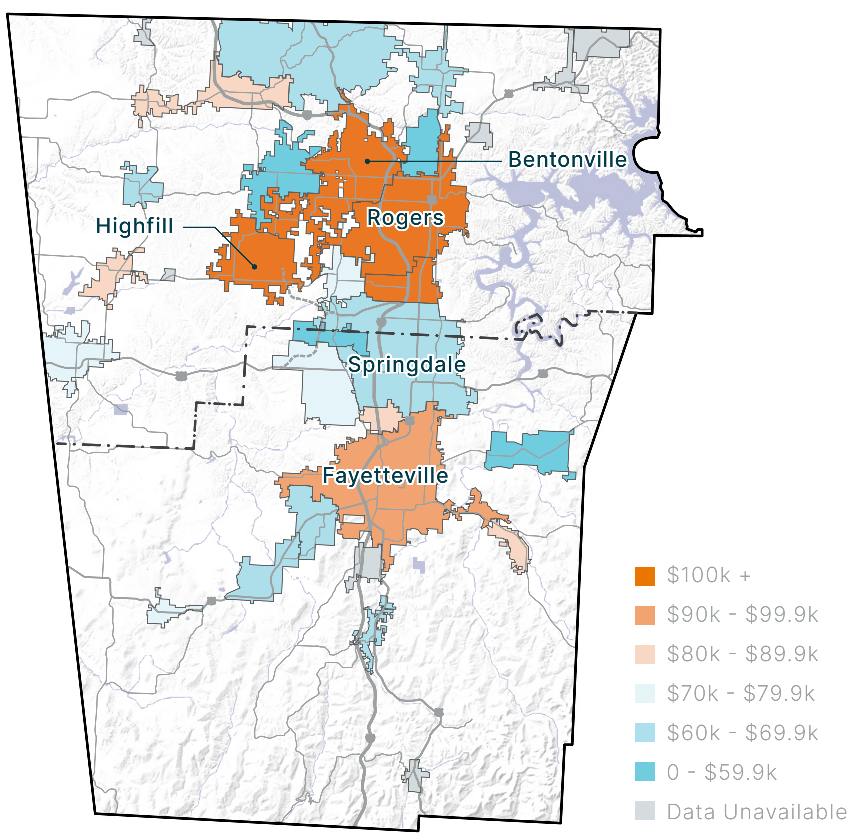
In Northwest Arkansas, total city revenue is heavily concentrated in the Big Four—Fayetteville, Rogers, Bentonville, and Springdale. These cities significantly outperform all others, with Fayetteville, Rogers, and Bentonville generating revenues more than ten times higher than most mid-sized and small cities. Mid-sized cities form a secondary tier, while small cities collect far less revenue overall.

When measured per household, Lowell leads the region, driven by a high jobs-to-housing ratio and a small residential base. Bentonville slightly outpaces Rogers in overall per-household revenue, though Rogers collects more in sales tax. Fayetteville and Springdale also post above-average per-household revenues, while Prairie Grove stands out among mid-sized peers. Bella Vista reports the lowest per-household revenue, reflecting limited commercial activity relative to its large population. Among small cities, Gentry and Gravette perform better than many of their peers.

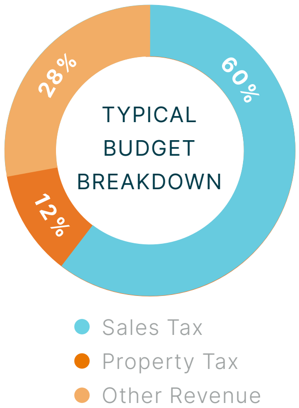
Measured per developed acre, Fayetteville, Rogers, and Bentonville each generate more than $5,000 per acre, with Centerton close behind. In contrast, Bella Vista, Goshen, Little Flock, and Elm Springs generate the least per acre, due to low-density development and limited retail presence.

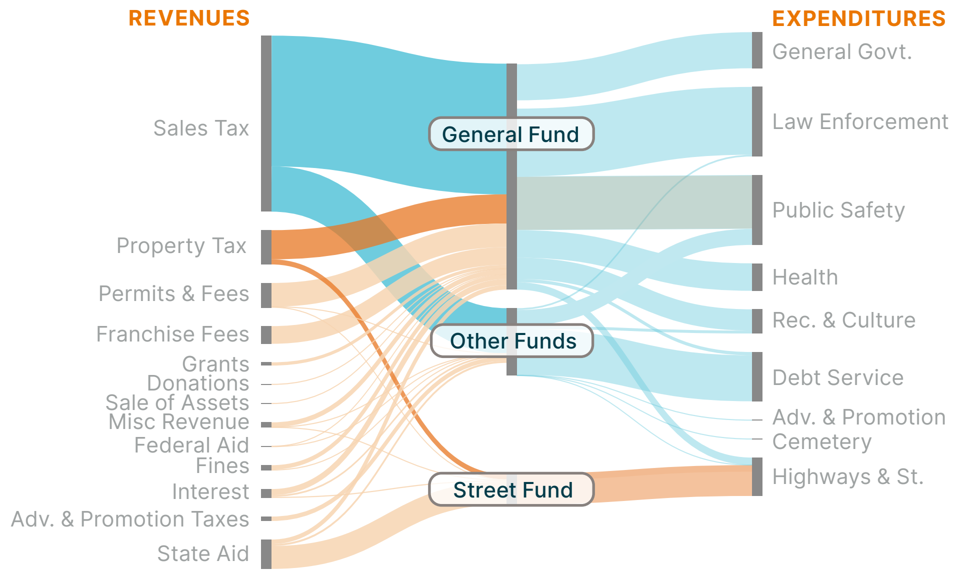
Revenue patterns reflect broader spatial trends. Cities along the I-49 corridor, particularly in Benton County, report the strongest per-household and per-acre returns, driven by regional commuting and local spending. These patterns underscore the region's reliance on sales tax and the fiscal benefits of compact, mixed-use development that blends housing with retail and employment.

While there is a clear connection between the size of a city and the total sales tax it generates, primarily due to population and commercial scale, significant variation exists when analyzing revenue per household and per developed acre. These measures show that even small or mid-sized communities can improve their fiscal performance by promoting denser development and supporting local economies—enhancing their ability to fund infrastructure, services, and long-term growth.

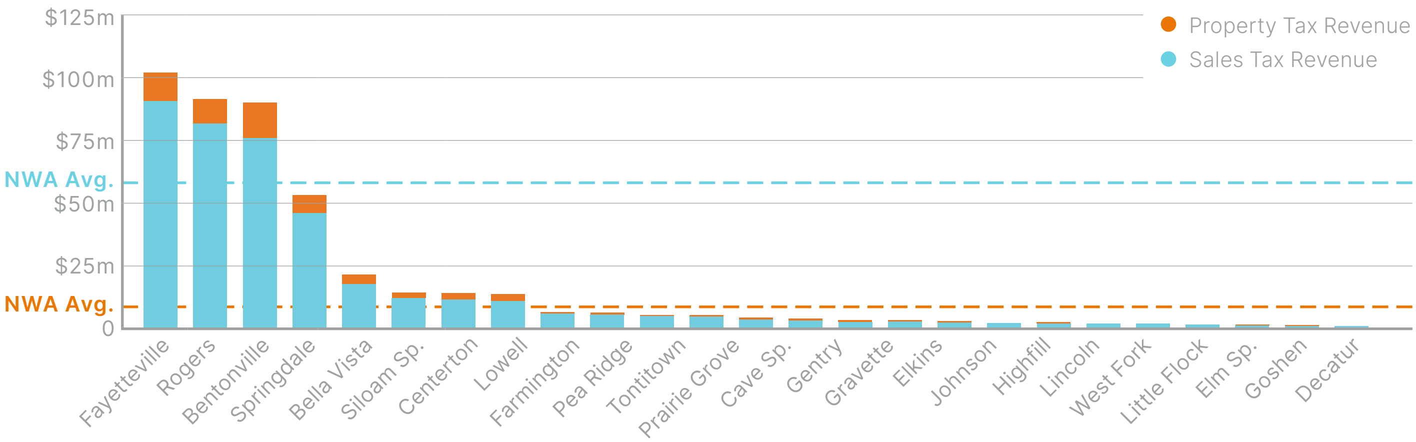


TOTAL TAX REVENUE PER HOUSEHOLD (SALES + PROPERTY)

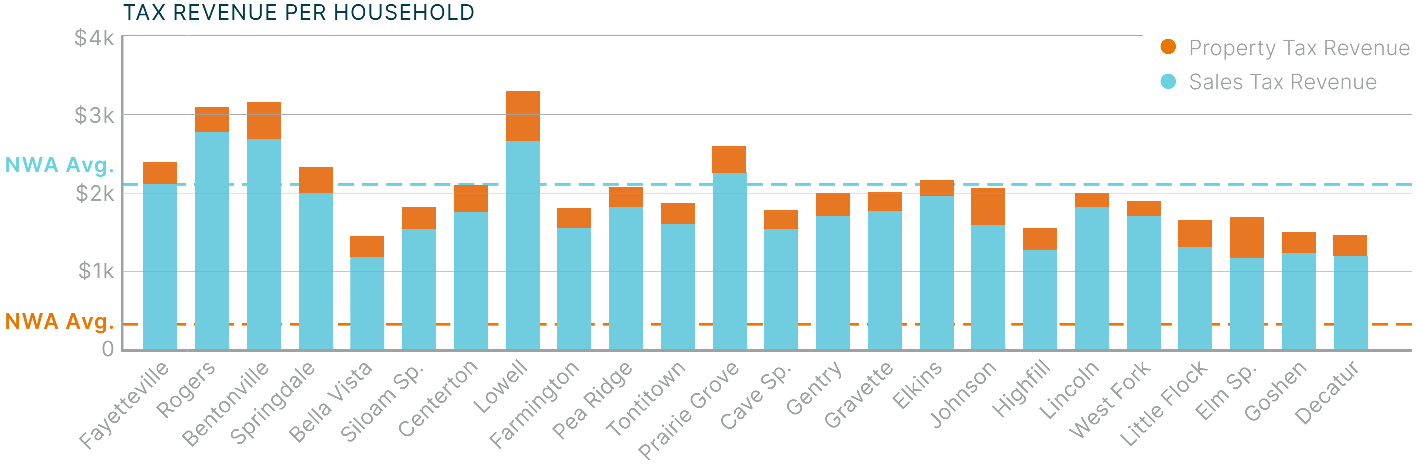




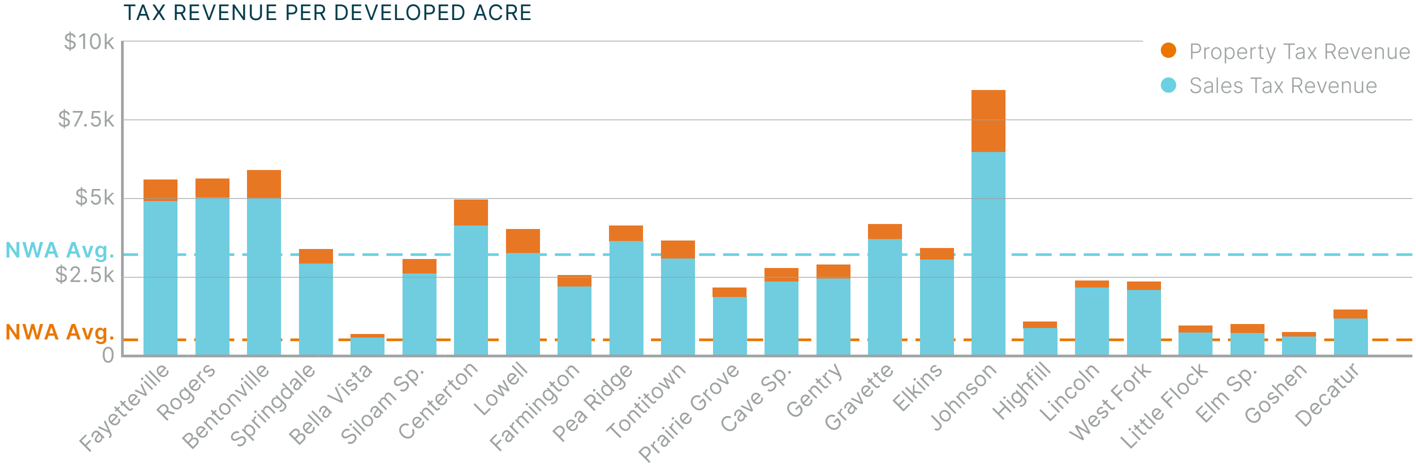
TOTAL TAX REVENUE



TAX REVENUE PER HOUSEHOLD



TAX REVENUE PER DEVELOPED ACRE



Regional Value Per Acre

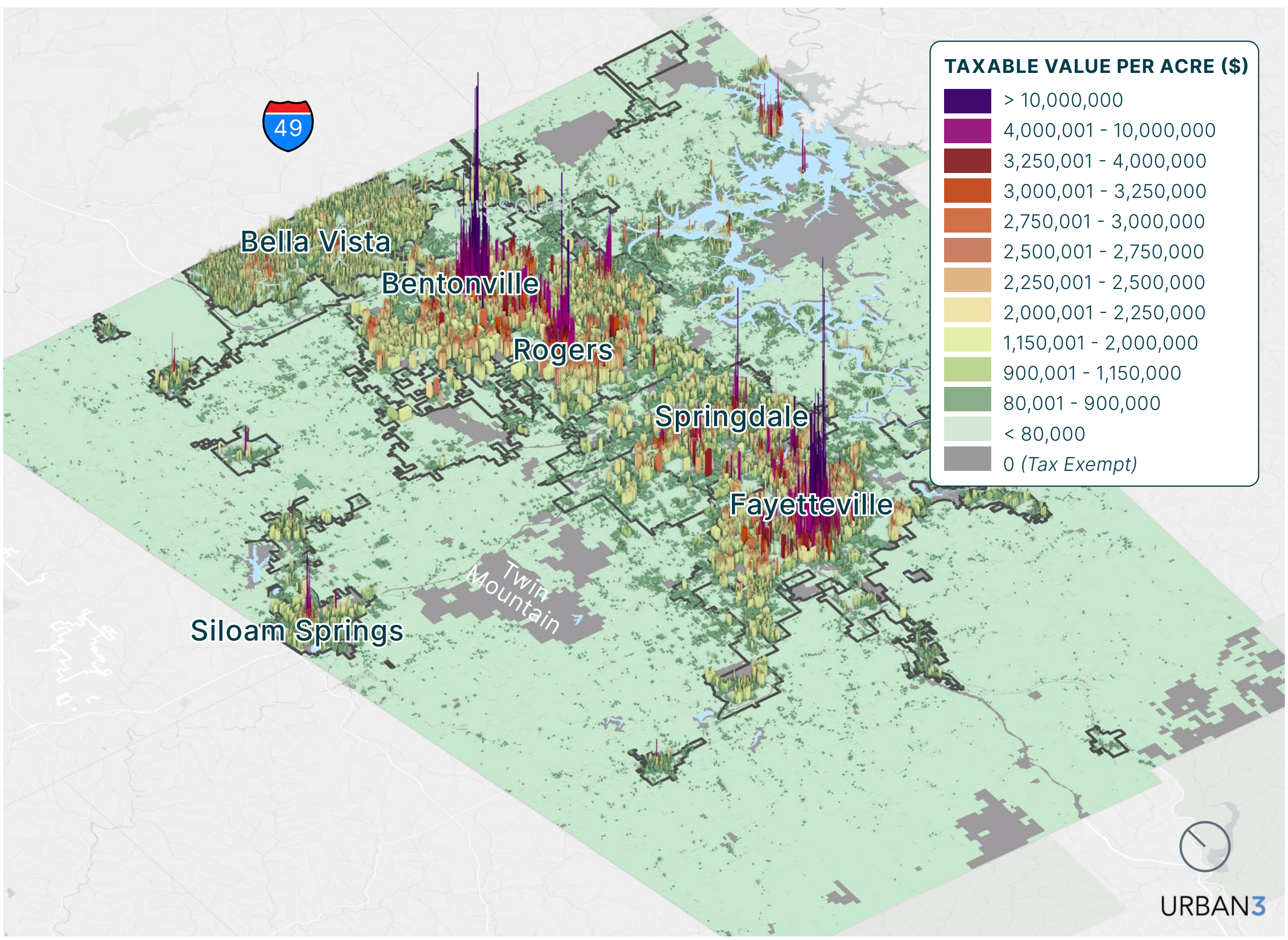
Regional Snapshot

Northwest Arkansas cities vary widely in their financial performance when measured on a per acre basis—a metric that, like miles per gallon for cars, reveals the efficiency and productivity of land use rather than just total output. Rather than emphasizing the total value of a city's tax base, the "taxable value per acre" (VPA) method normalizes financial productivity by land consumed. This allows for clear comparisons between different cities and land use types, highlighting how development patterns affect municipal revenues and infrastructure liabilities. As land is a finite resource, cities that extract more tax revenue per acre through compact, mixed-use development generate higher returns and more resilient budgets.

Among Northwest Arkansas cities, Bentonville, Rogers, and Fayetteville stand out as top performers in taxable value per acre. These cities benefit from vibrant, high-performing downtowns and, in the case of Rogers, a large commercial base along the I-49 corridor that generates substantial tax revenue. Bentonville's dense corporate presence and walkable urban core drive exceptionally strong returns per acre, while Fayetteville's downtown and university proximity bolster its productivity. These downtowns not only deliver strong tax yields but also leverage existing infrastructure more efficiently, reinforcing the fiscal advantages of compact development.

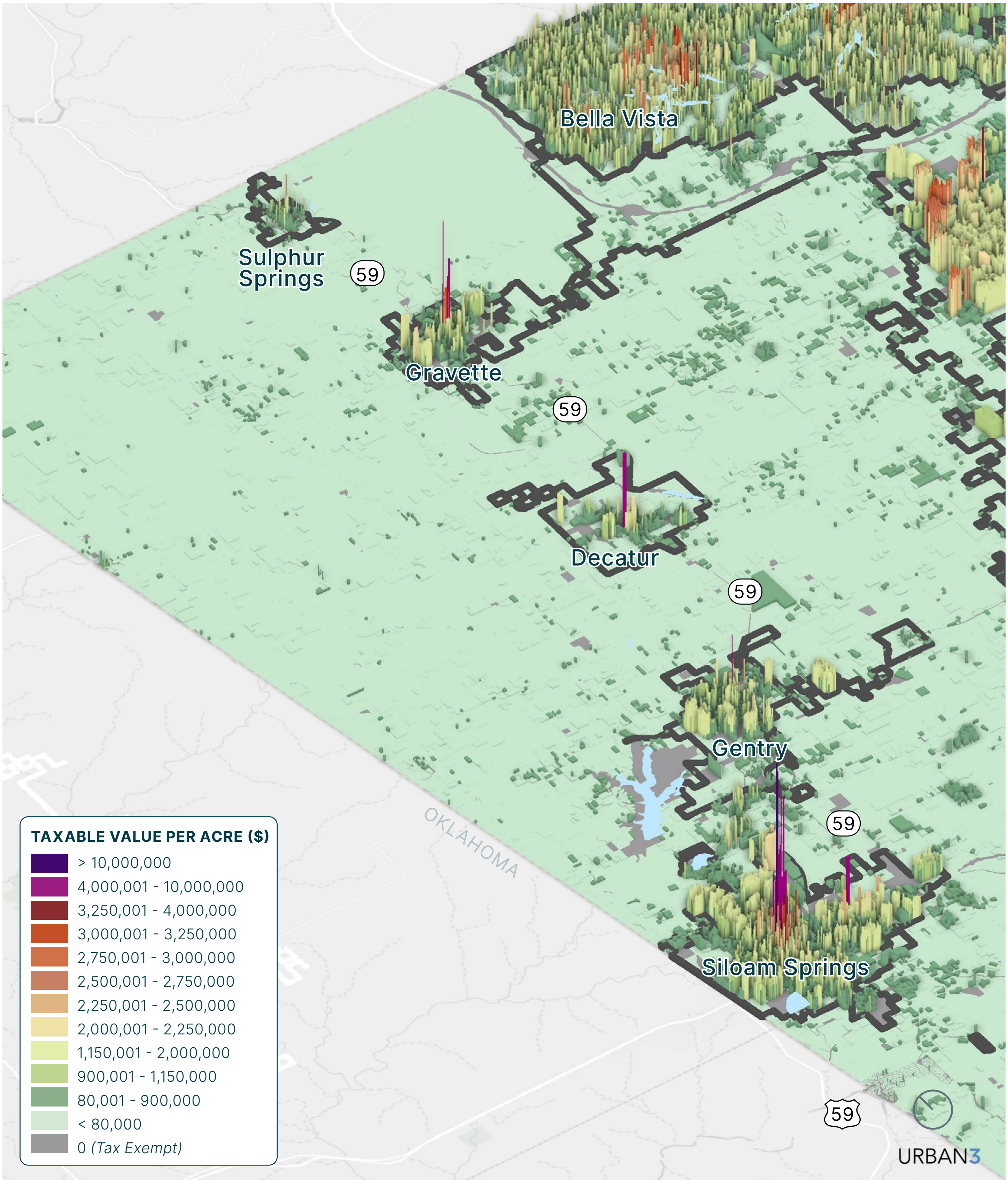
Siloam Springs is notable along the Highway 59 corridor for its high per-acre value, driven by its traditional downtown and institutional anchors. While it is not adjacent to I-49, its legacy urban form and local employment base enable a more compact and economically resilient pattern than found in many peer cities. However, across the region, the expansion of low-density suburban development strains this model. As growth continues outward, much of it in the form of car-dependent subdivisions, cities are increasingly challenged to fund the infrastructure that supports this spread—roads, utilities, and public services—without a commensurate increase in tax productivity.

Even the highest-performing cities are not immune. Their fiscal strengths are often diluted by the cost of maintaining suburban infrastructure and accommodating regional commuting patterns that wear on local road networks without necessarily boosting local revenues. This imbalance between growth location and financial productivity underscores the importance of land use planning in long-term municipal sustainability.



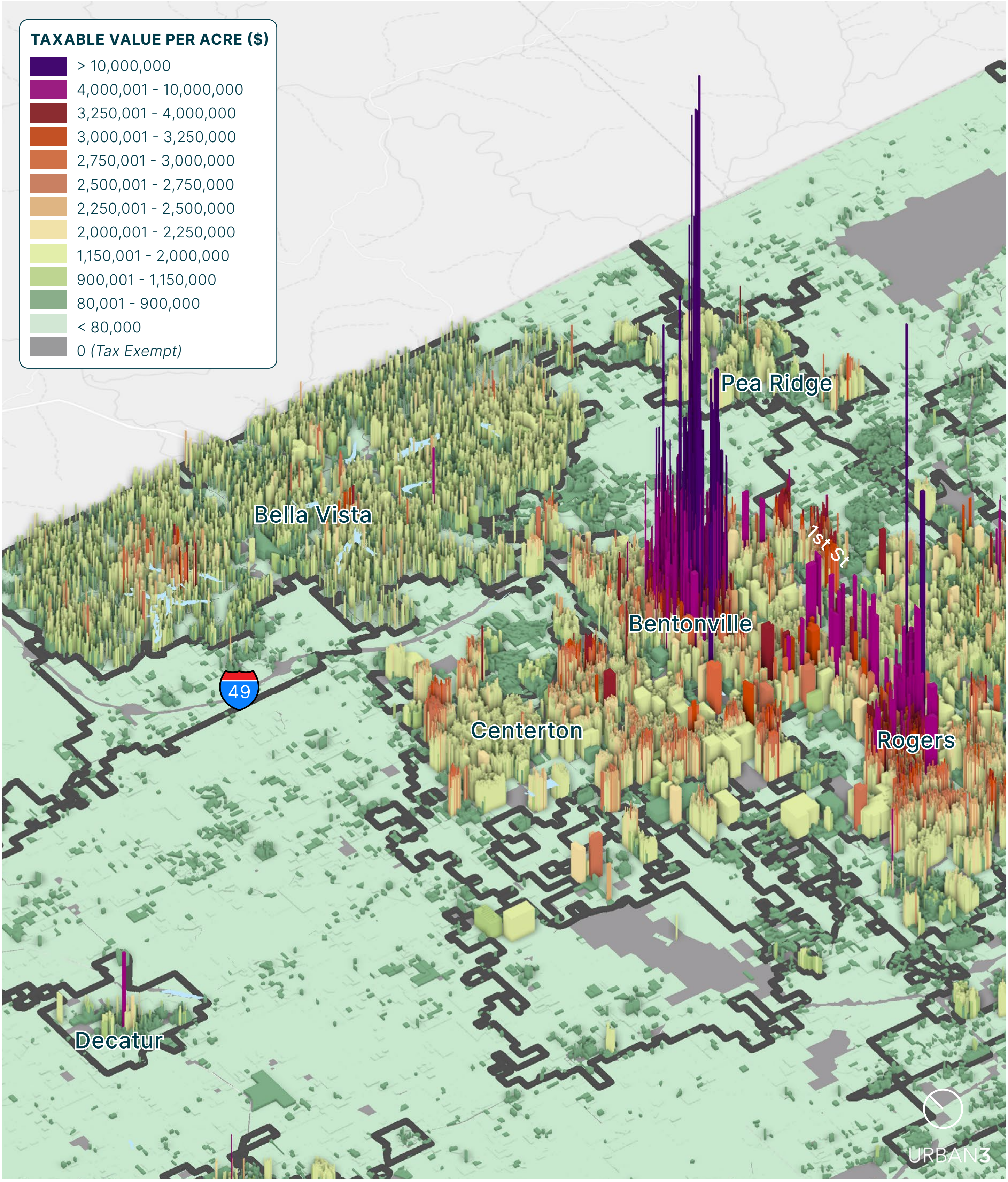
Regional Value Per Acre

Highway 59 Corridor



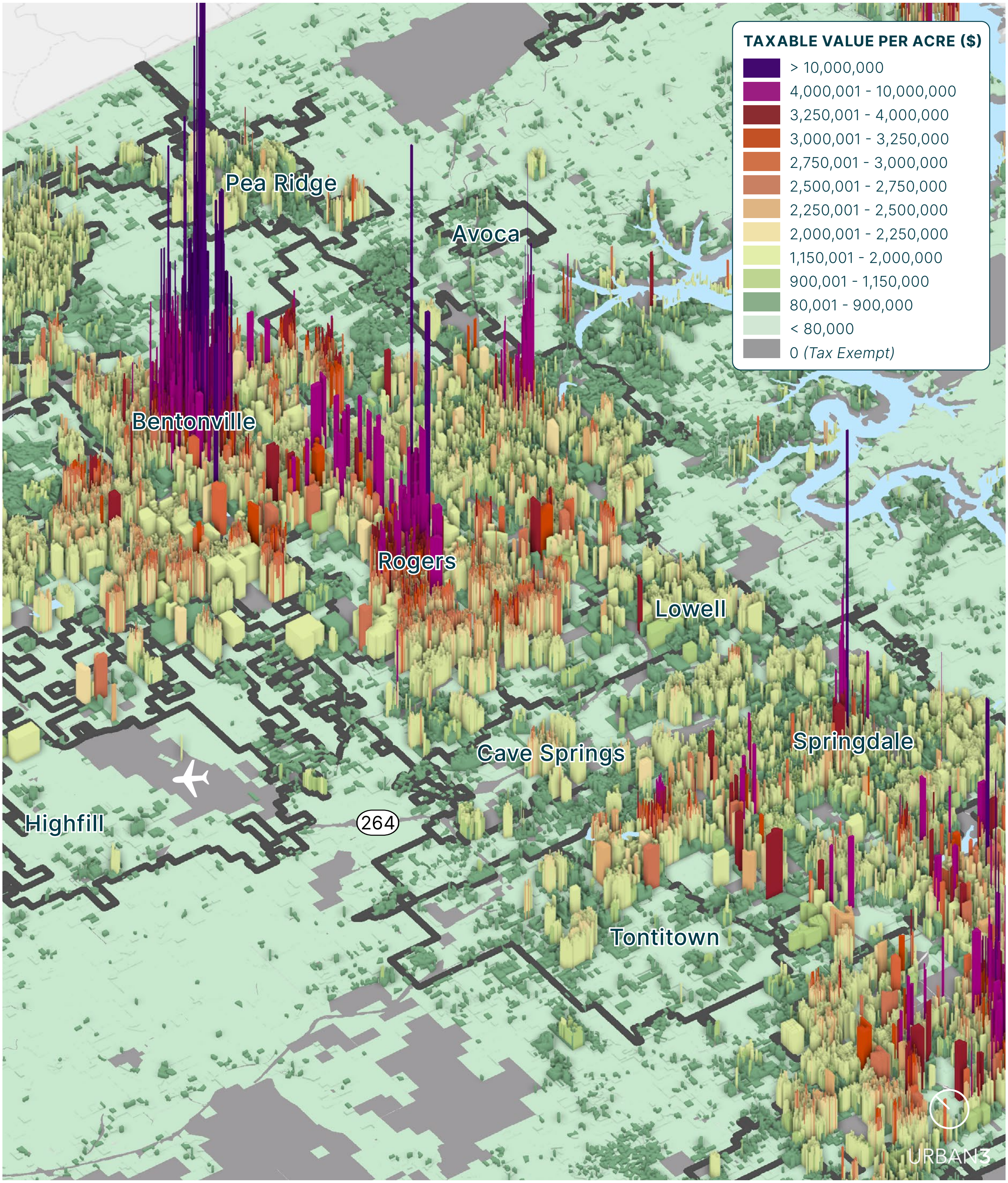
Regional Value Per Acre

Bella Vista - Bentonville - Centerton



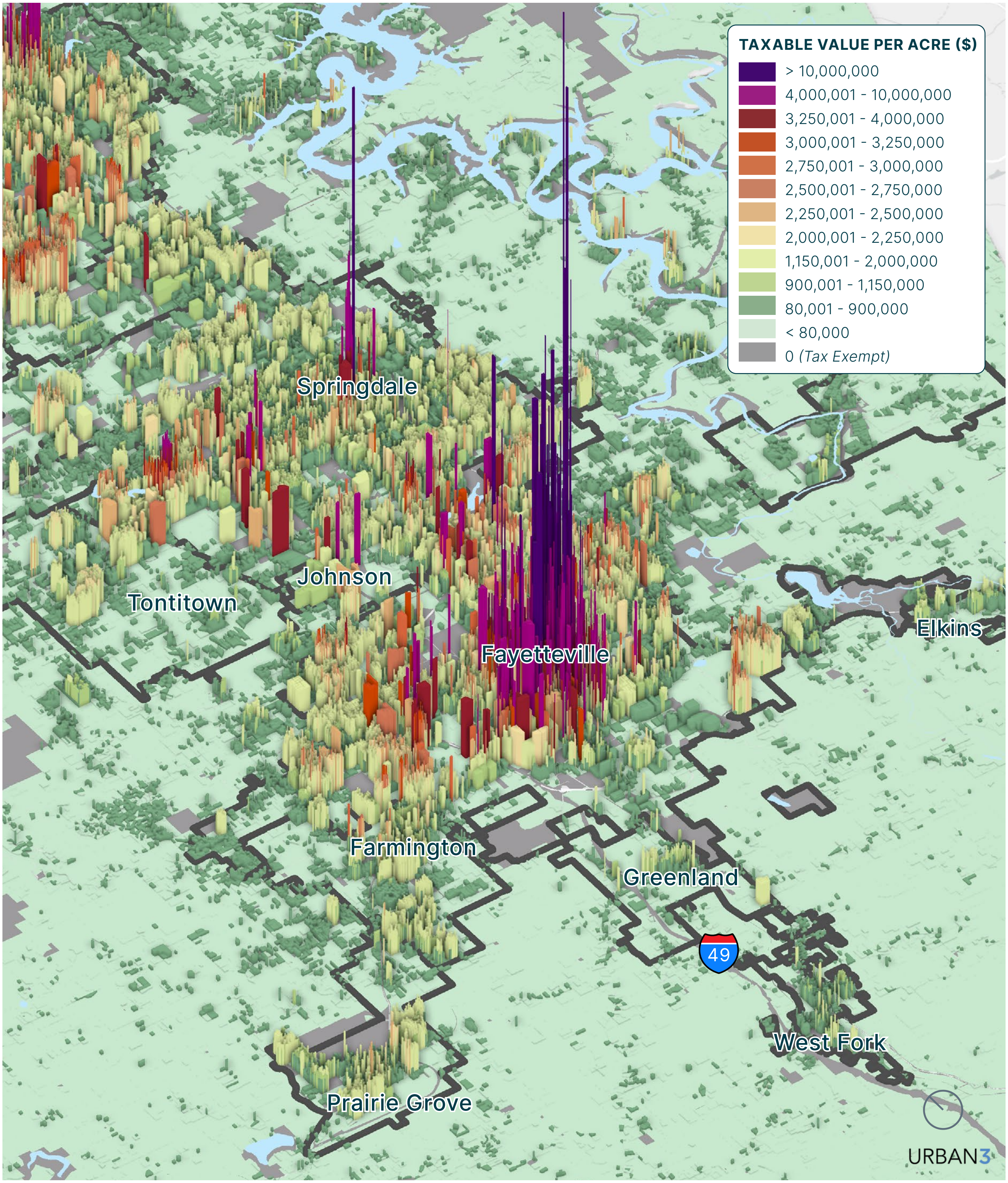
Regional Value Per Acre

Rogers - Lowell - Springdale



Regional Value Per Acre

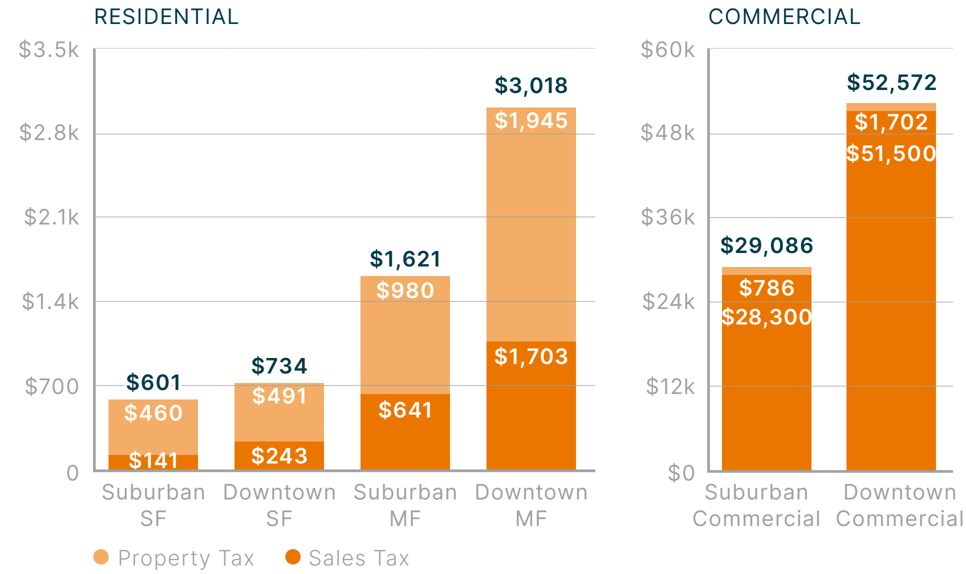
Johnson - Fayetteville - Prairie Grove



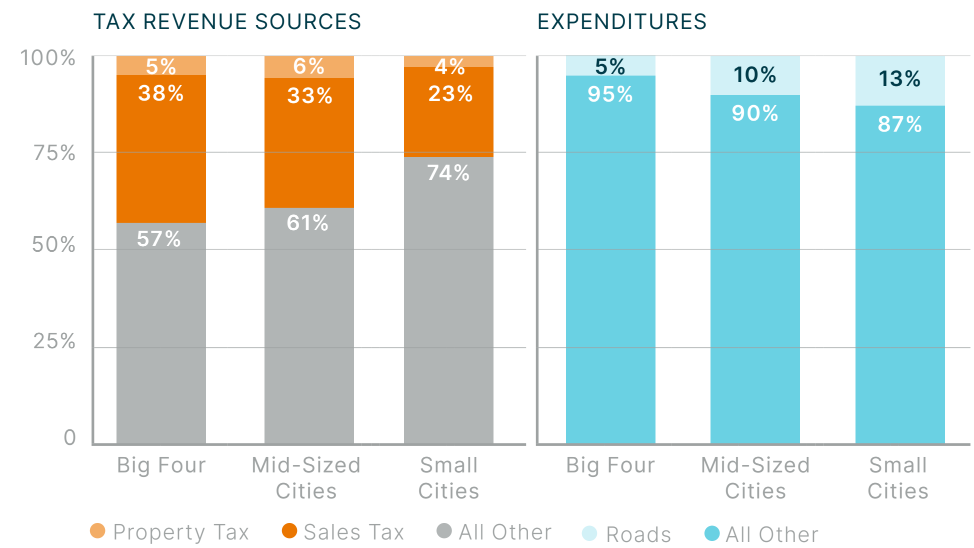
Regional Value Per Acre

Land Use Comparison, Revenue Sources, & Road Spending

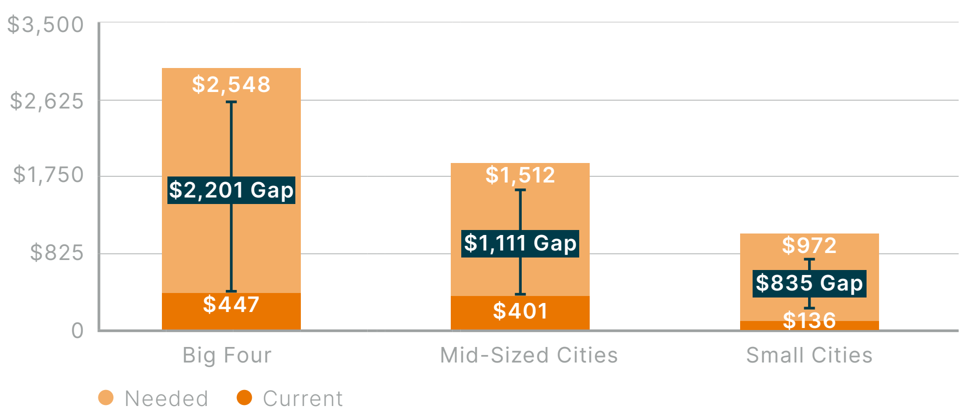
TAX REVENUES PER ACRE, BY LAND USE



REVENUE SOURCES & ROAD SPENDING



ROAD SPENDING PER DEVELOPED ACRE



SUBURBAN SINGLE-FAMILY (SF)

DOWNTOWN SINGLE-FAMILY (SF)

SUBURBAN MULTI-FAMILY (MF)

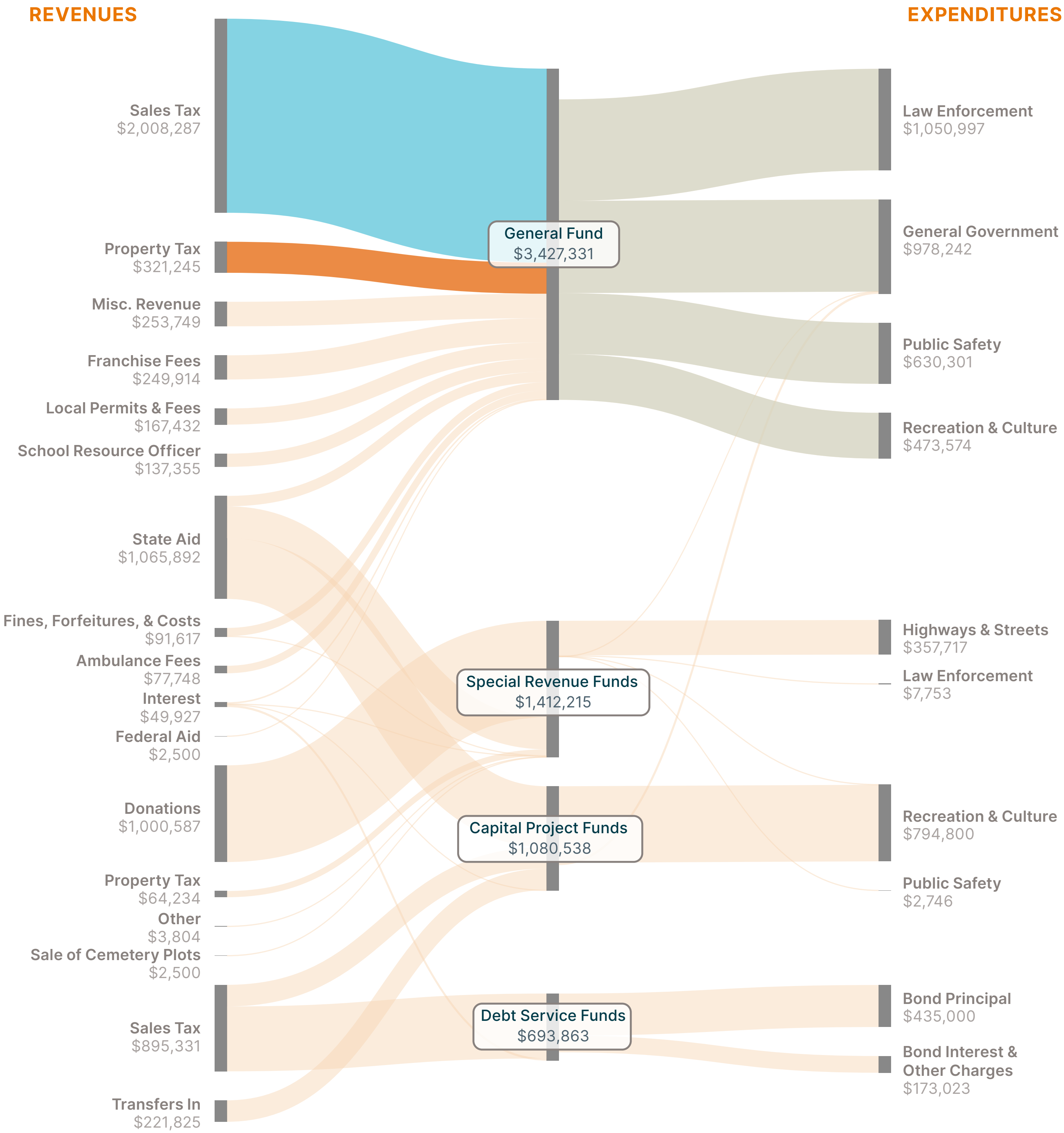
DOWNTOWN MULTI-FAMILY (MF)

SUBURBAN COMMERCIAL

DOWNTOWN COMMERCIAL

Regional Value Per Acre

Flow of Funds - Gravette (2023)

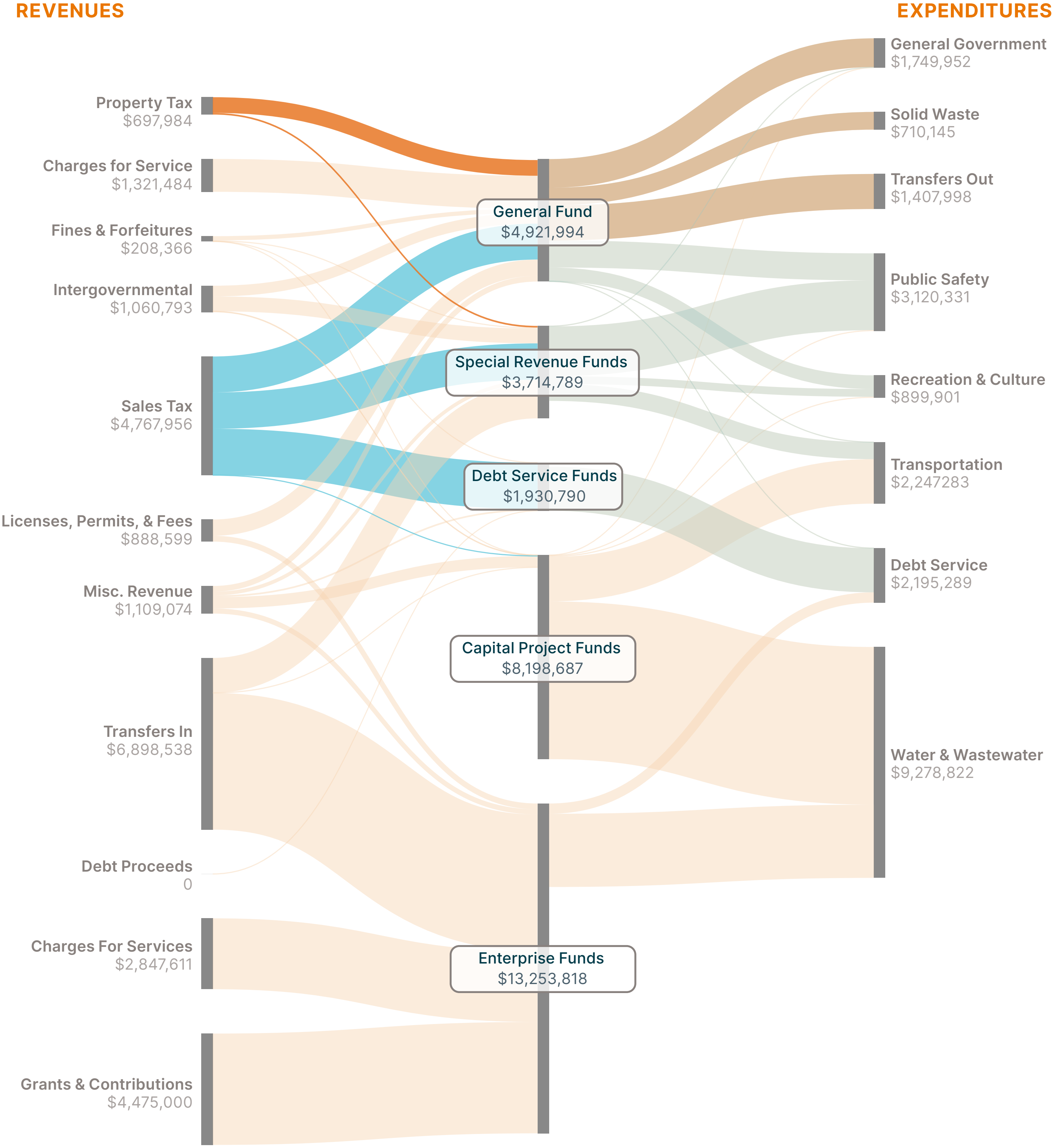


TOTAL REVENUES
$6,613,947

TOTAL EXPENDITURES
$4,904,153

Regional Value Per Acre

Flow of Funds - Prairie Grove (2023)



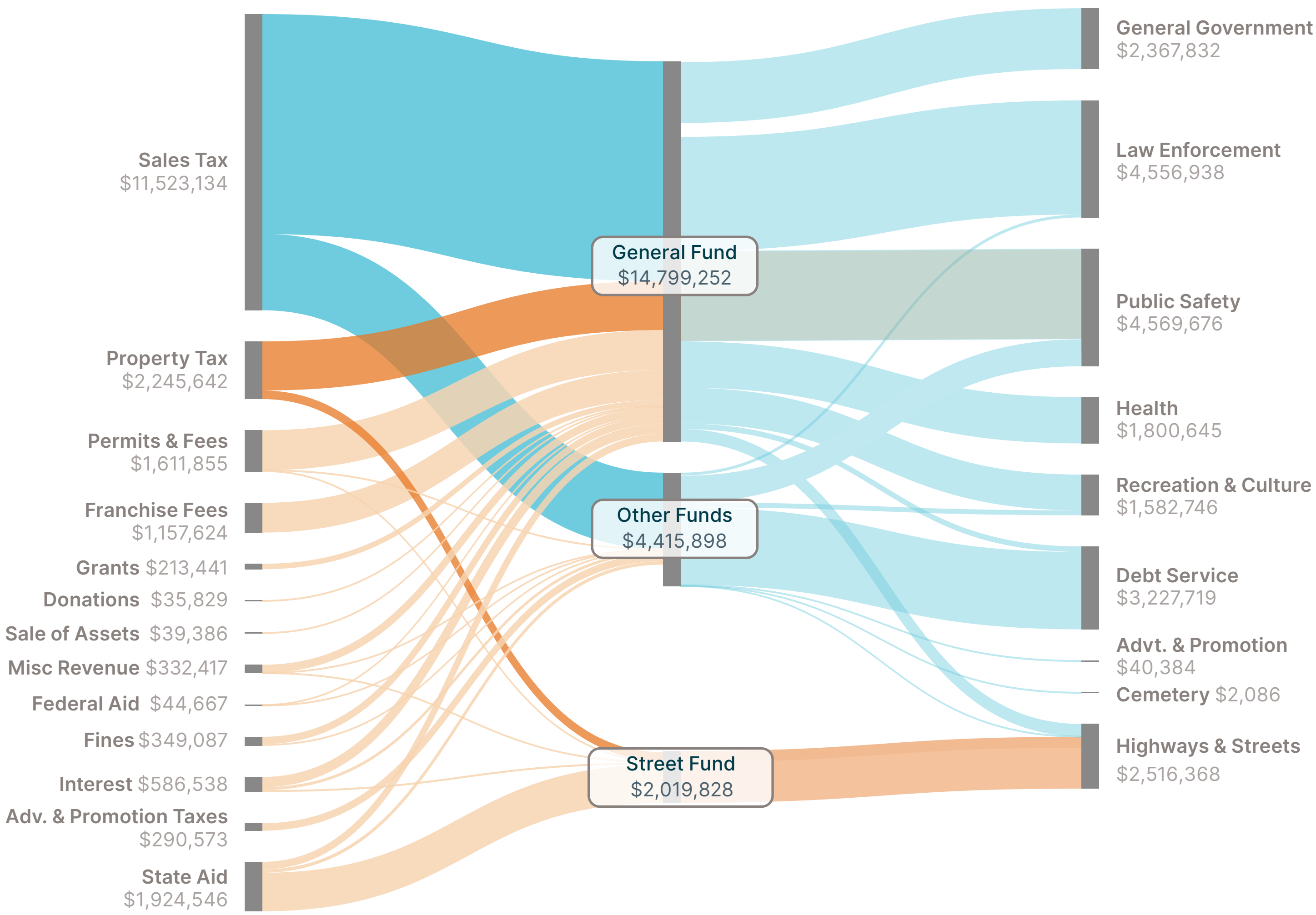
TOTAL REVENUES
$9,613,789

TOTAL EXPENDITURES
$16,496,832

Regional Value Per Acre

Flow of Funds - Centerton (2023)

REVENUES **EXPENDITURES**



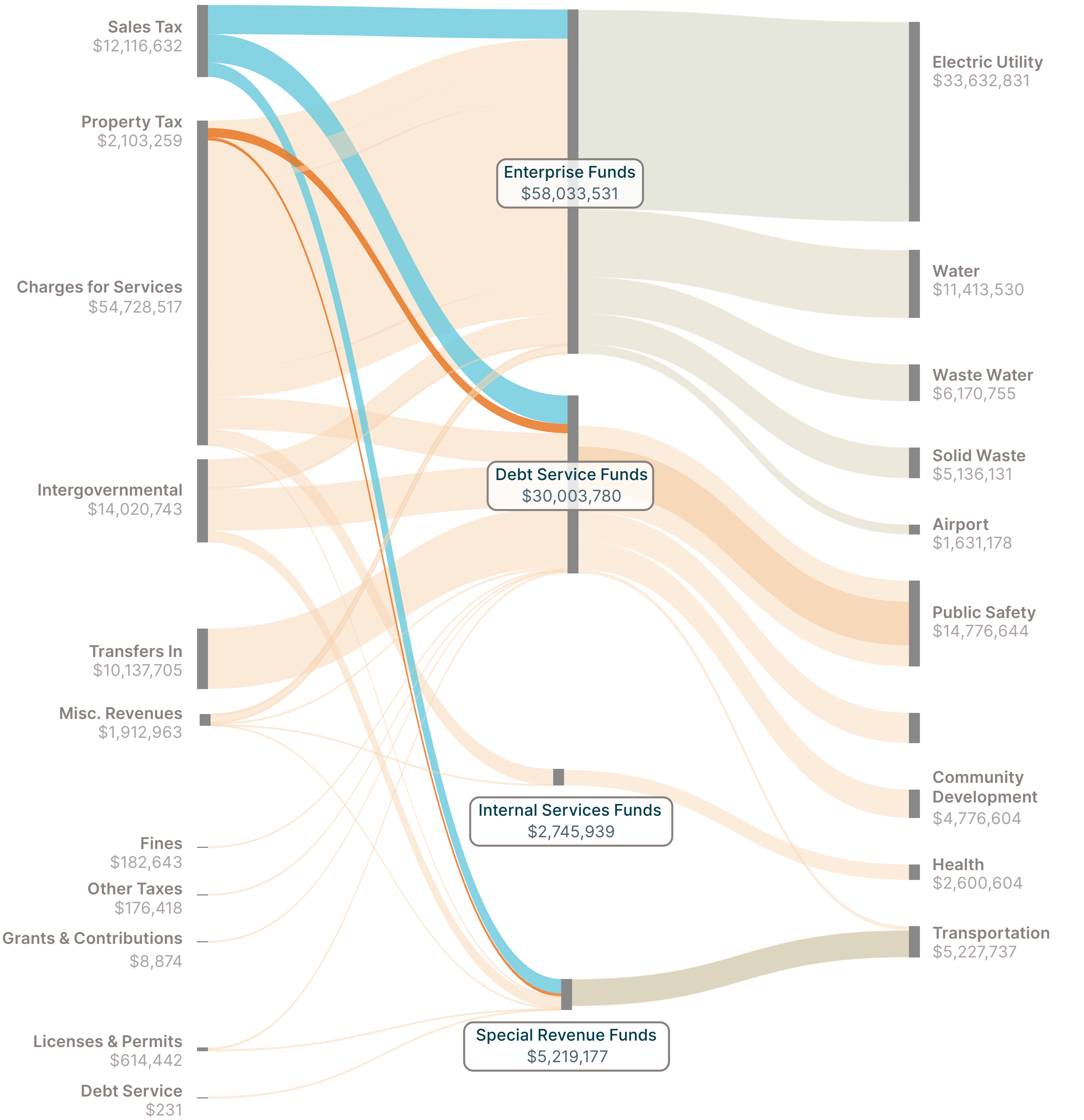
TOTAL REVENUES
$20,354,739

TOTAL EXPENDITURES
$20,664,394

Regional Value Per Acre

Flow of Funds - Siloam Springs (2023)

REVENUES **EXPENDITURES**



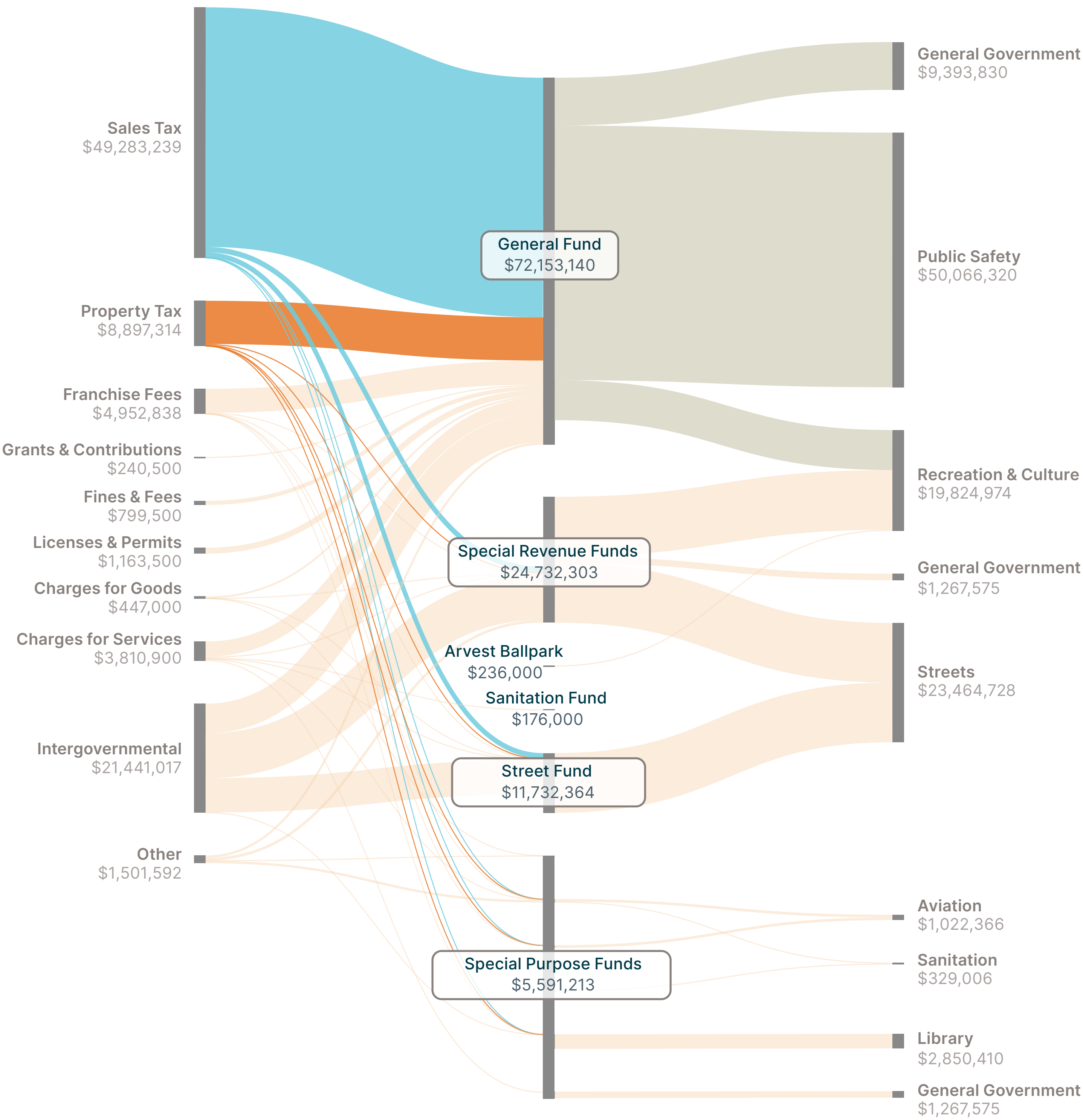
TOTAL REVENUES
$71,402,918

TOTAL EXPENDITURES
$84,225,783

Regional Value Per Acre

Flow of Funds - Springdale (2025)

REVENUES **EXPENDITURES**

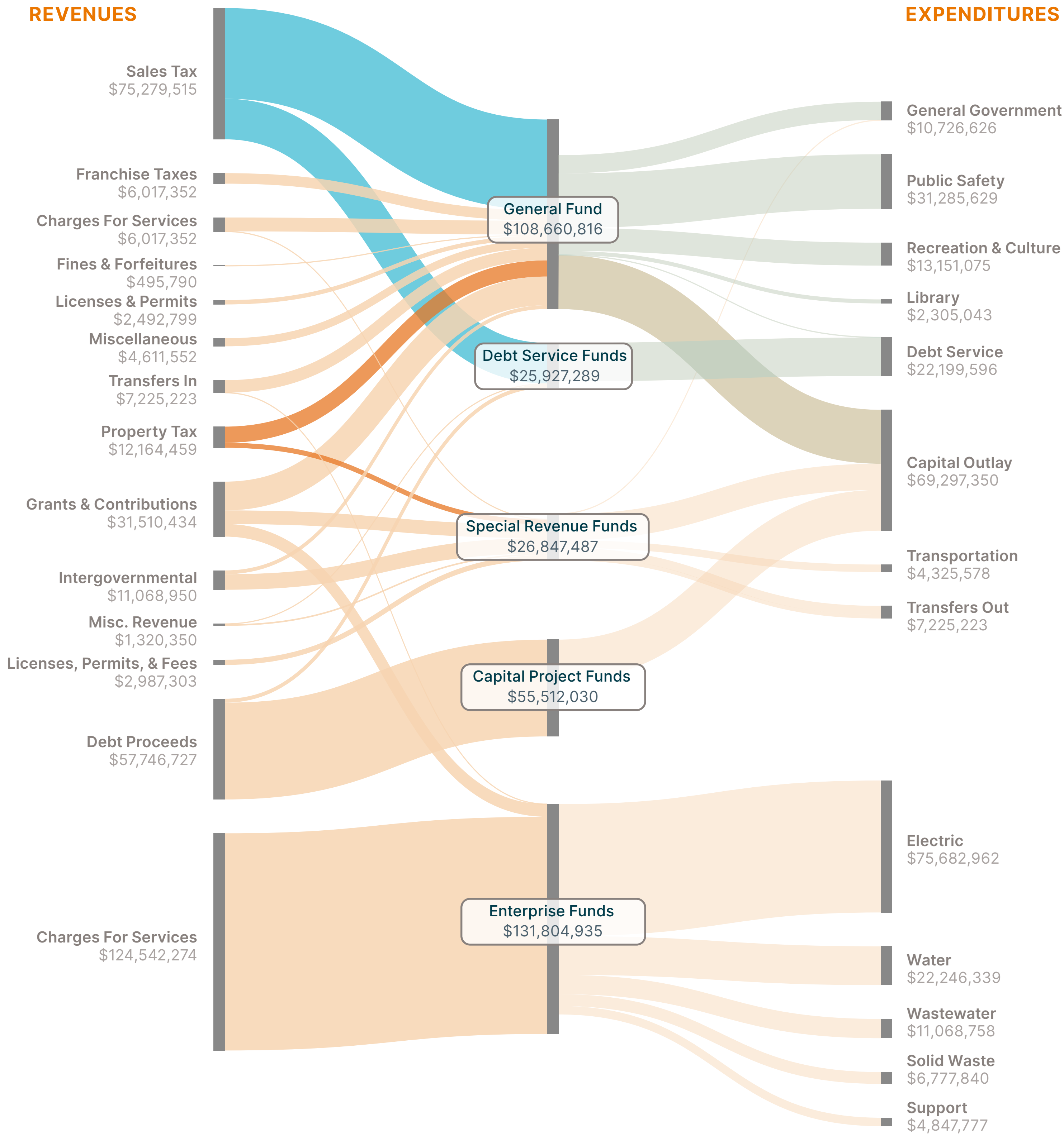


TOTAL REVENUES
$83,890,909

TOTAL EXPENDITURES
$82,341,042

Regional Value Per Acre

Flow of Funds - Bentonville (2023)



TOTAL REVENUES
$345,029,906

TOTAL EXPENDITURES
$281,139,796

Regional Zoning

Allocation of Land Across NWA

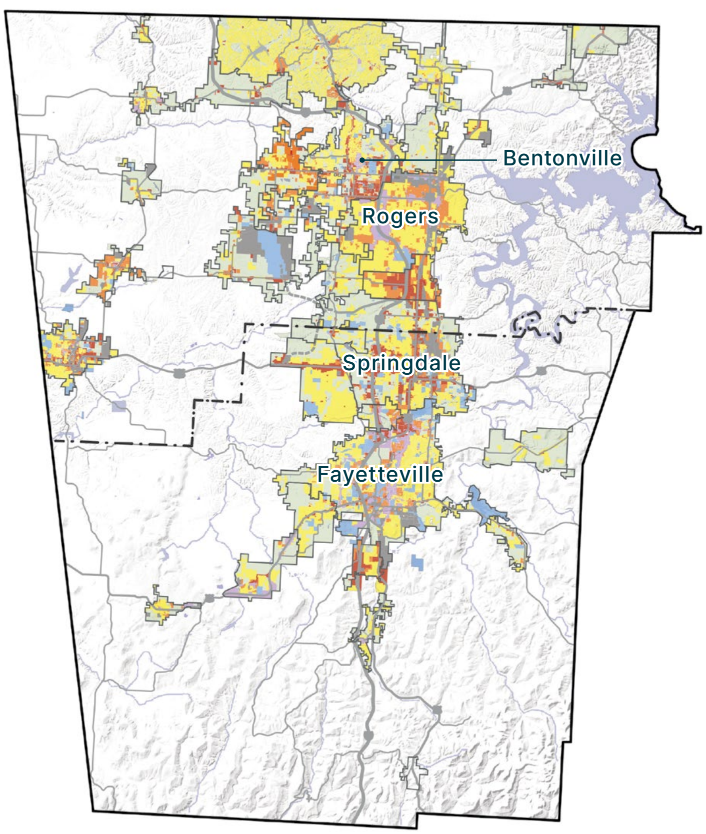
Across Northwest Arkansas, the majority of land is either unzoned or designated for agricultural and rural uses. Even within municipal boundaries, rural zoning accounts for roughly 40% of total city land area, making it the single largest zoning category. This reflects a pattern where much of the region's urban land remains in a pre-development state, with future growth expected to occur through rezonings.

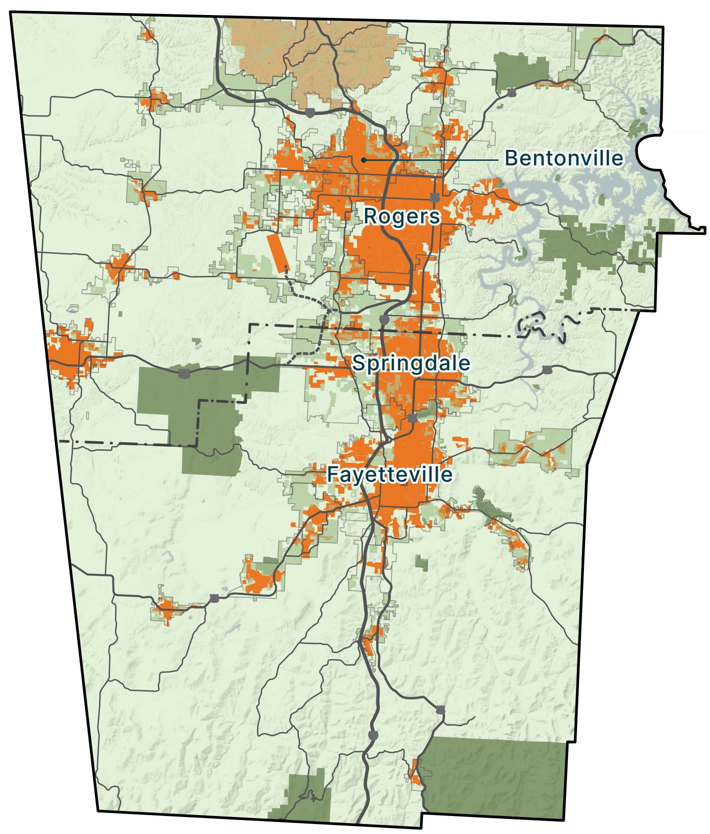
The prevalence of rural zoning is highest in small cities, where 54% of land is zoned for rural uses and growth pressure remains relatively modest. In contrast, mid-sized cities average 38% rural zoning, while the Big 4—Fayetteville, Springdale, Rogers, and Bentonville—have about 31%, still a significant portion of land with future development potential.

Currently, the dominant zoning change across the region is toward detached single-family residential, which continues to shape the suburban growth pattern. While single-family housing is needed, it typically addresses only about half—or less—of projected housing demand in most cities. Despite this, all cities in the region maintain a strong single-family housing bias. The Big 4 cities have the highest share of multi-family units, averaging 32% of total housing stock, mostly concentrated in Fayetteville, which exceeds the national average. However, 59% of their total housing remains single-family, and only 12% of land is zoned for multi-family, falling short of actual demand.

Mixed-use zoning remains limited, averaging just 5% of zoned land across cities, with the Big 4 leading slightly at 7%. Encouragingly, most cities allow some form of mixed-use, reflecting a regional shift toward zoning reform. All of the Big 4 have adopted—or are actively working to adopt—modern form-based codes, which are expected to increase land zoned for multi-family, townhomes, and mixed-use development. Mid-sized cities have taken partial steps in this direction, incorporating select modern zoning tools without full code rewrites. In contrast, small cities largely retain legacy zoning frameworks, emphasizing conventional, use-based codes that limit flexibility and compact development.

However, despite zoning reforms that increasingly support compact, walkable growth, the actual development pattern in the Big 4 remains dominated by detached single-family homes. This reflects a disconnect between what cities are permitting and what is being built. Many developers and lenders continue to favor conventional single-family subdivisions due to lower perceived risk, established financing models, and familiarity with the product. As a result, the supply





ZONING

- Agriculture (Ag) / Rural
- Residential: Single-Family (SF)
- Residential: Multi-Family (MF)
- Mixed-Use (MU)
- Commercial
- Other
- Industrial

RURAL LANDS IN NORTHWEST ARKANSAS

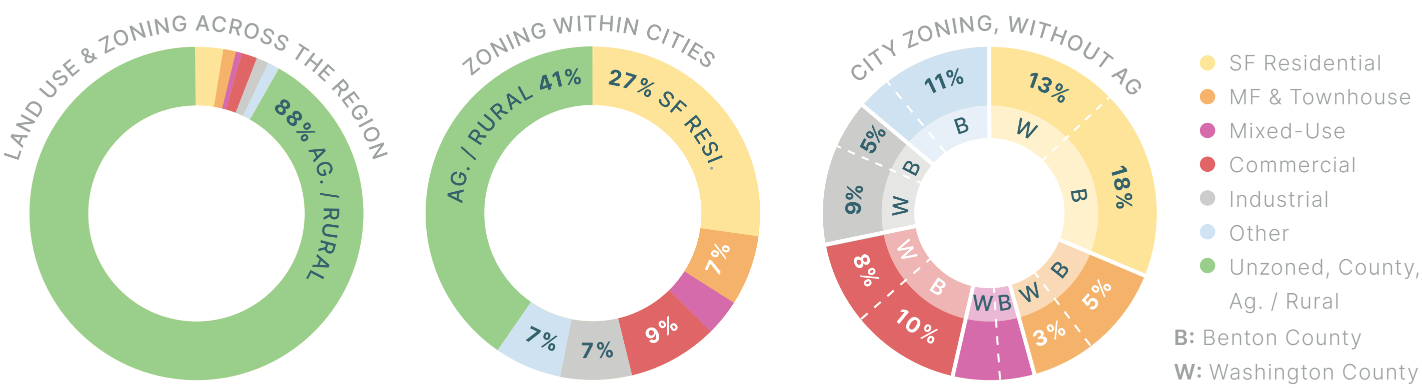
- Urbanized
- Rural
- Zoned Agricultural
- Public Lands

of mixed-use, multi-family, and "missing middle" housing types—such as duplexes, townhomes, and cottage courts—lags far behind demand, even where zoning now allows or encourages them.

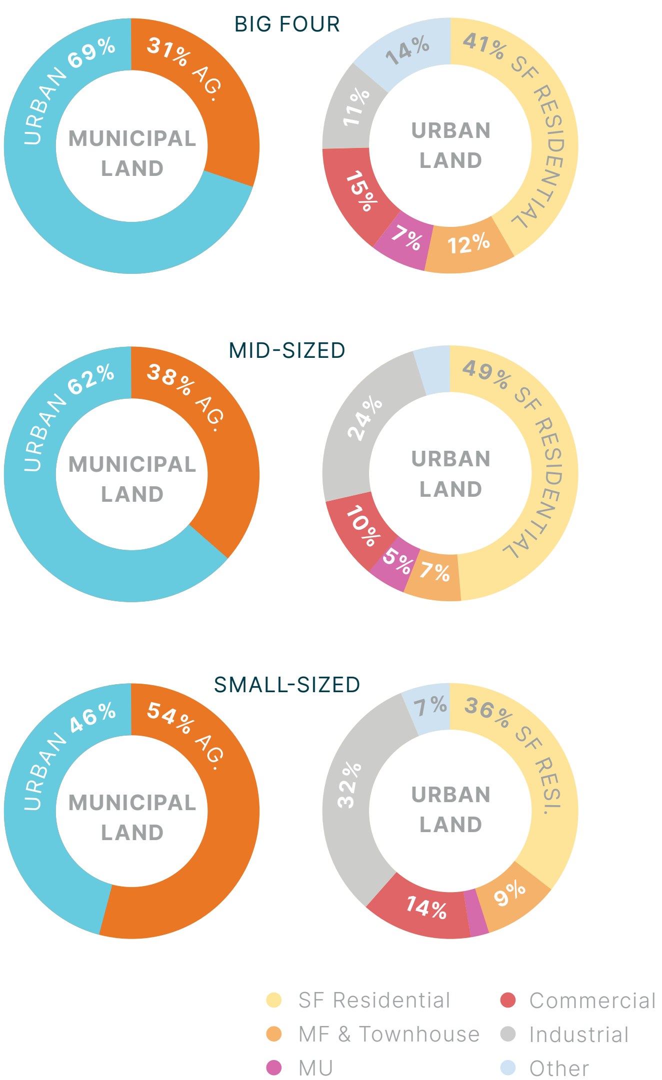
The capacity to implement and benefit from zoning reform varies significantly by city. Larger cities typically have more professional planning staff, access to consultants, and stronger institutional frameworks. Smaller cities often lack the staff capacity, technical expertise, or political consensus needed to adopt more flexible, modern zoning approaches—particularly when reforms are perceived as controversial.

While the Big 4 are steadily building a foundation for zoning that aligns with regional housing and development needs, mid-sized and small cities will require additional support—both technical and political—to ensure the region as a whole can accommodate growth in a sustainable, inclusive, and economically productive way. At the same time, realizing the full potential of zoning reform will also require better alignment between local planning efforts and the private development community, supported by innovative financing tools, model projects, and regional coordination.

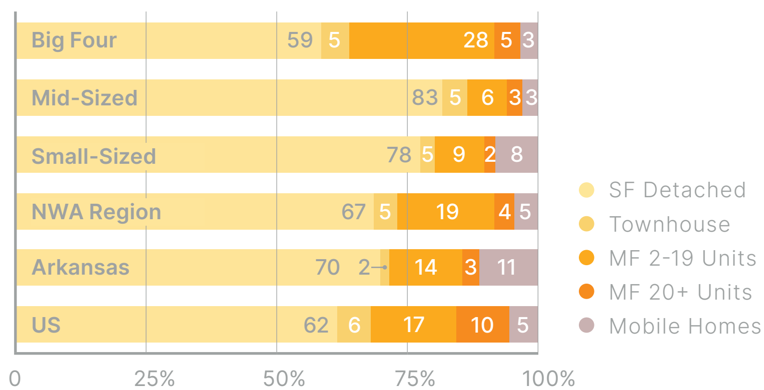
REGIONAL LAND ALLOCATION



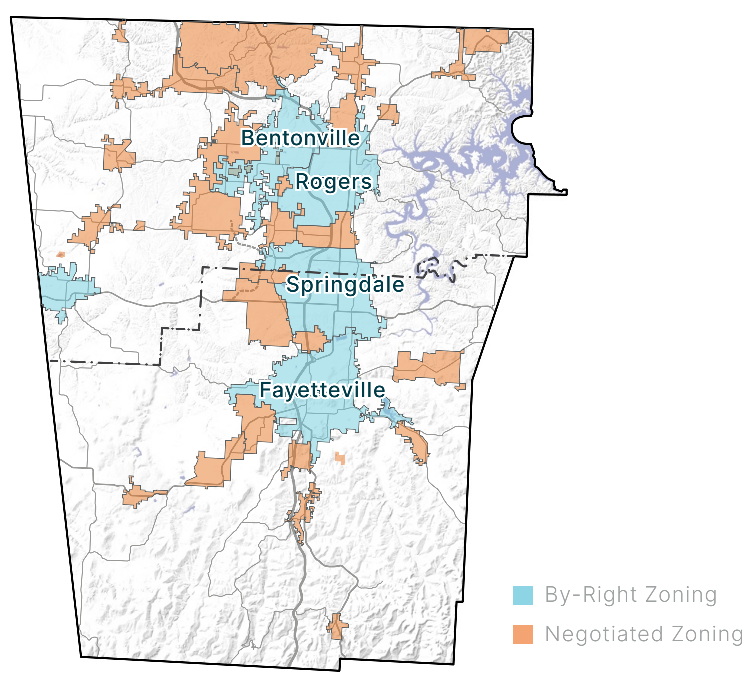
URBAN LAND BREAKDOWN



HOUSING MIX



ZONING DISCRETION



Jobs-Housing Balance

How People Work & Live

Northwest Arkansas demonstrates a strong employment base, with a jobs-per-capita rate that exceeds the national average and matches Raleigh-Durham, while falling just below Austin—its highest-performing peer. Notably, each of the Big Four cities—Fayetteville, Bentonville, Rogers, and Springdale—individually surpass Austin in jobs per capita, highlighting the region's robust and concentrated employment base.

Fayetteville leads the region in total number of jobs, but Bentonville stands out with the highest job density, exceeding 1,500 jobs per square mile. This reflects Bentonville's role as a major employment hub. All four major cities have more than two jobs per household, with Bentonville exceeding three, indicating high concentrations of employment relative to housing. This imbalance reinforces commuting pressures and highlights the need for housing in job-rich areas.

Among mid-sized cities, Lowell and Siloam Springs are particularly notable. Lowell's ratio of over three jobs per household reflects significant employment growth with limited housing development, while Siloam Springs maintains a healthy 1.3 jobs per household, indicating a more balanced local economy. Tontitown also shows strong alignment, with just over one job per household.

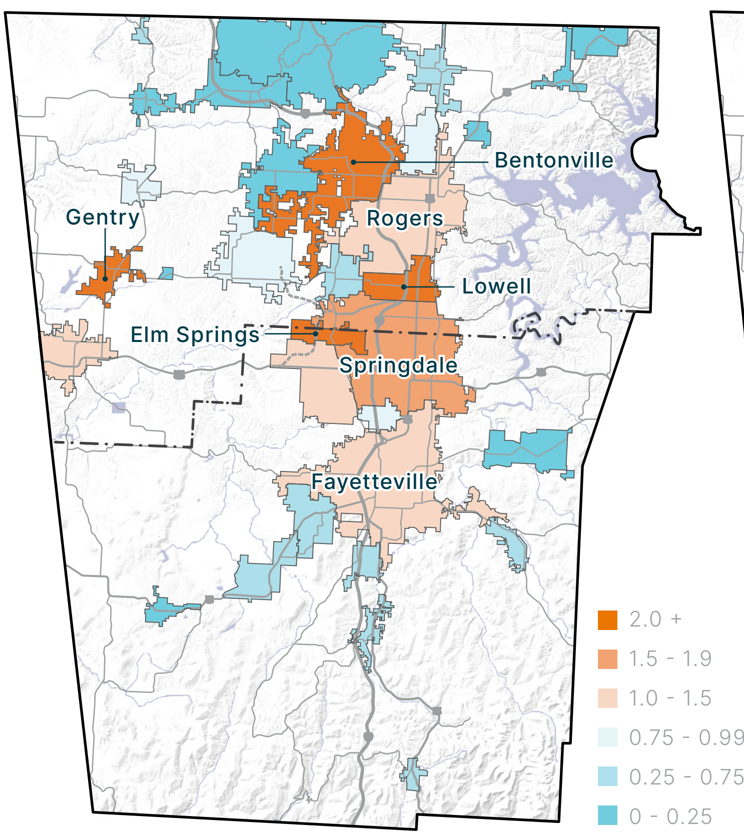
In Elm Springs, limited housing contributes to an outlier ratio of over two jobs per household, despite a relatively small job count. By contrast, most small cities show very low jobs-to-household ratios and overall employment, reinforcing their roles as bedroom communities. However, Gentry stands out, with over one job per household and higher job density than most other small cities.

Job density is highest in Bentonville and Lowell, followed by Rogers, Fayetteville, and Springdale, meeting or exceeding 1,000 jobs per square mile. Siloam Springs and Gentry also maintain notable densities over 750 jobs per square mile. Elsewhere, job density varies widely, influenced more by city boundary sizes than total employment.

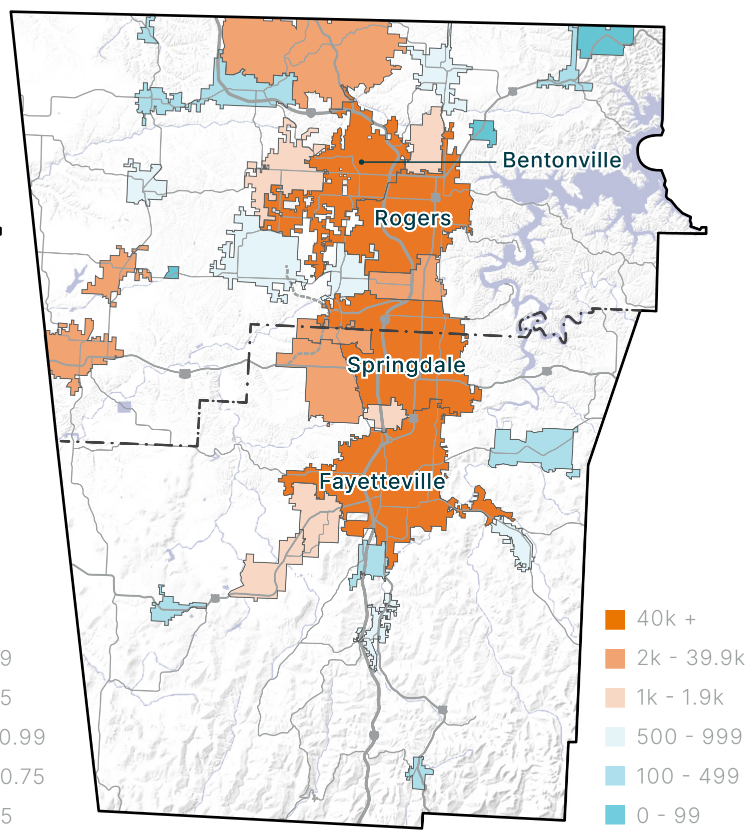
Across the region, the distribution of job types is relatively consistent, with white-collar employment making up over 60% of jobs across all city categories. Mid-sized cities slightly outpace the Big Four in white-collar jobs, owing to Lowell's prominence in that group and lower ratios in Rogers and Springdale among the Big Four. Blue-collar jobs account for around 22% of employment and are particularly prominent in mid-sized cities and rural areas, reflecting the region's strength in manufacturing, trades, and logistics. Farm and service sector jobs together comprise roughly 15%, with farm jobs more common in small cities, while service jobs are more concentrated in the Big Four.

Compared to the national average and peer regions, white-collar employment in Northwest Arkansas is slightly higher, but the region also has a notably stronger blue-collar sector, similar to Provo-Orem. This highlights Northwest Arkansas's economic diversity and its foundation in both professional services and skilled trades. Meanwhile, service-sector employment is lower than the national average and most peer metros, except Provo-Orem, and farm employment exceeds peer regions, though it aligns closely with the national average.

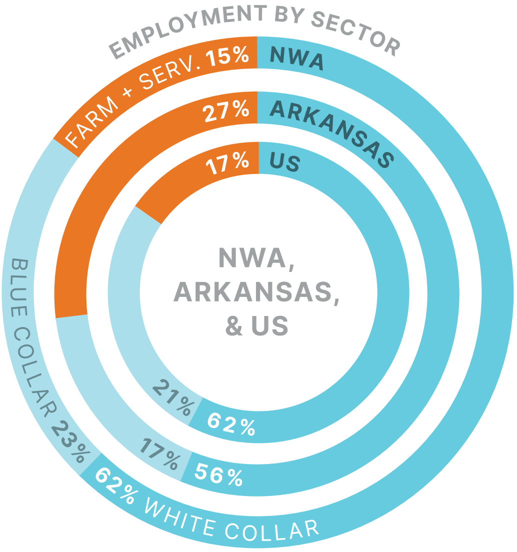
Together, these data illustrate Northwest Arkansas as a region of strong economic productivity and diverse job opportunities, though spatial imbalances between housing and employment centers continue to shape growth challenges and commuter dynamics.

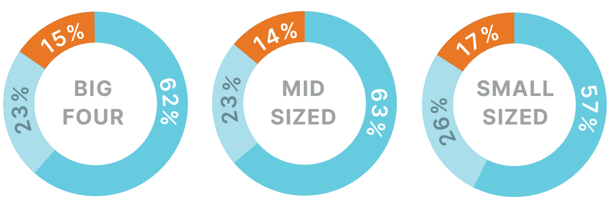


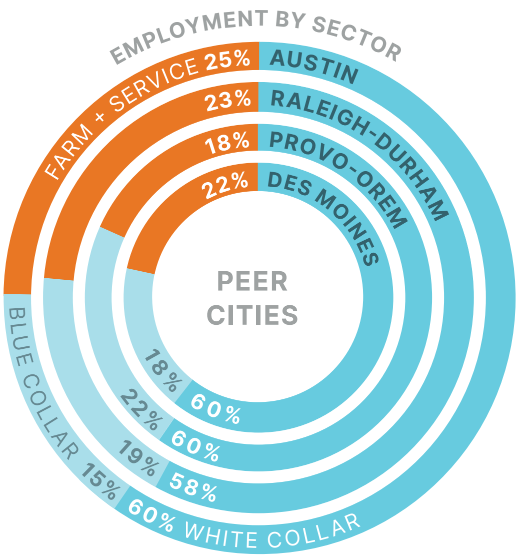
RATIO OF JOBS TO HOMES

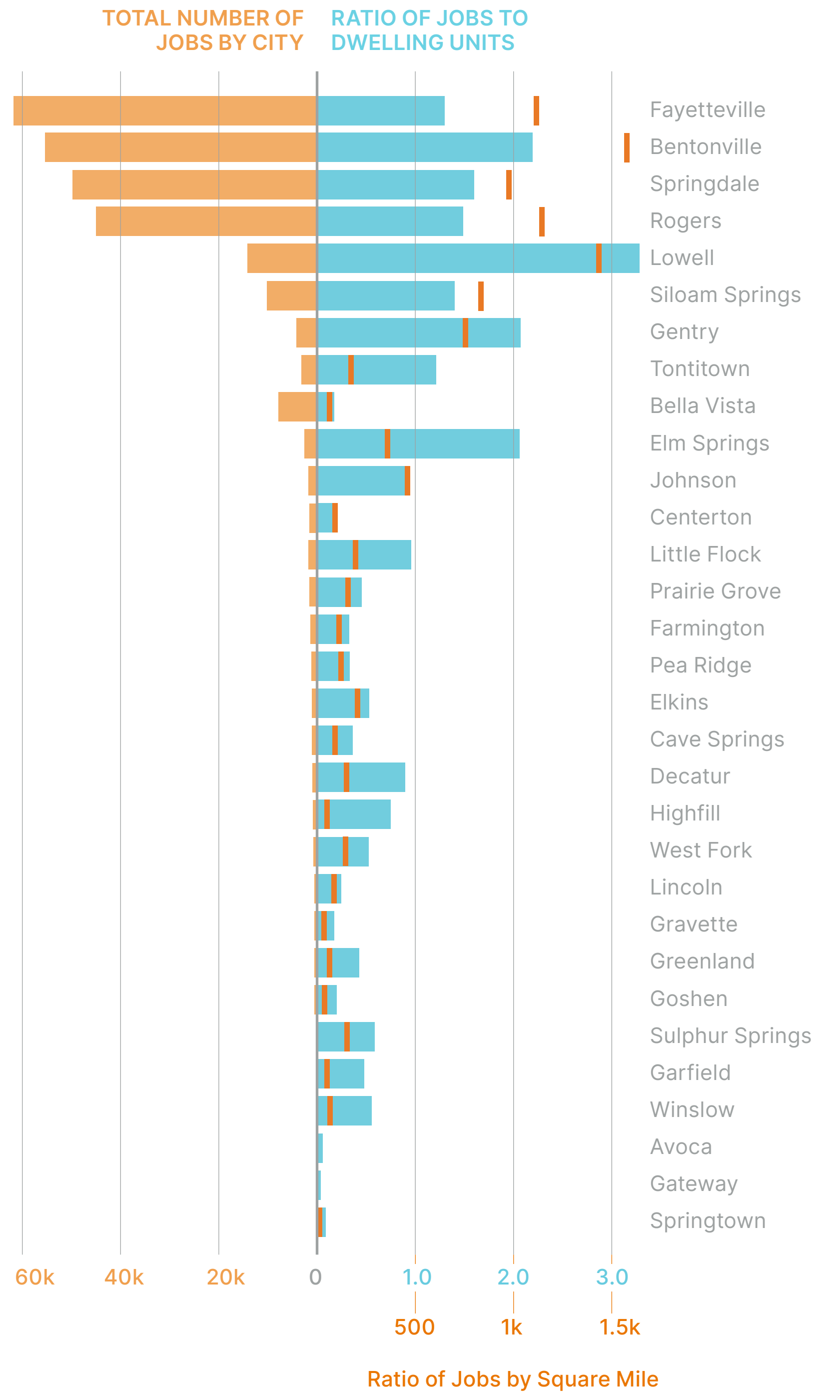


NUMBER OF JOBS


EMPLOYMENT BY SECTOR
FARM + SERV. 15%
NWA
27%
ARKANSAS
17%
US
NWA, ARKANSAS, & US
21%
62%
17%
56%
BLUE COLLAR 23%
62% WHITE COLLAR


15%
23%
BIG FOUR
62%
14%
23%
MID SIZED
63%
17%
26%
SMALL SIZED
57%


EMPLOYMENT BY SECTOR
FARM + SERVICE 25%
AUSTIN
23%
RALEIGH-DURHAM
18%
PROVO-OREM
22%
DES MOINES
PEER CITIES
18%
60%
22%
60%
19%
58%
BLUE COLLAR 15%
60% WHITE COLLAR


TOTAL NUMBER OF JOBS BY CITY
RATIO OF JOBS TO DWELLING UNITS
Fayetteville
Bentonville
Springdale
Rogers
Lowell
Siloam Springs
Gentry
Tontitown
Bella Vista
Elm Springs
Johnson
Centerton
Little Flock
Prairie Grove
Farmington
Pea Ridge
Elkins
Cave Springs
Decatur
Highfill
West Fork
Lincoln
Gravette
Greenland
Goshen
Sulphur Springs
Garfield
Winslow
Avoca
Gateway
Springtown
60k
40k
20k
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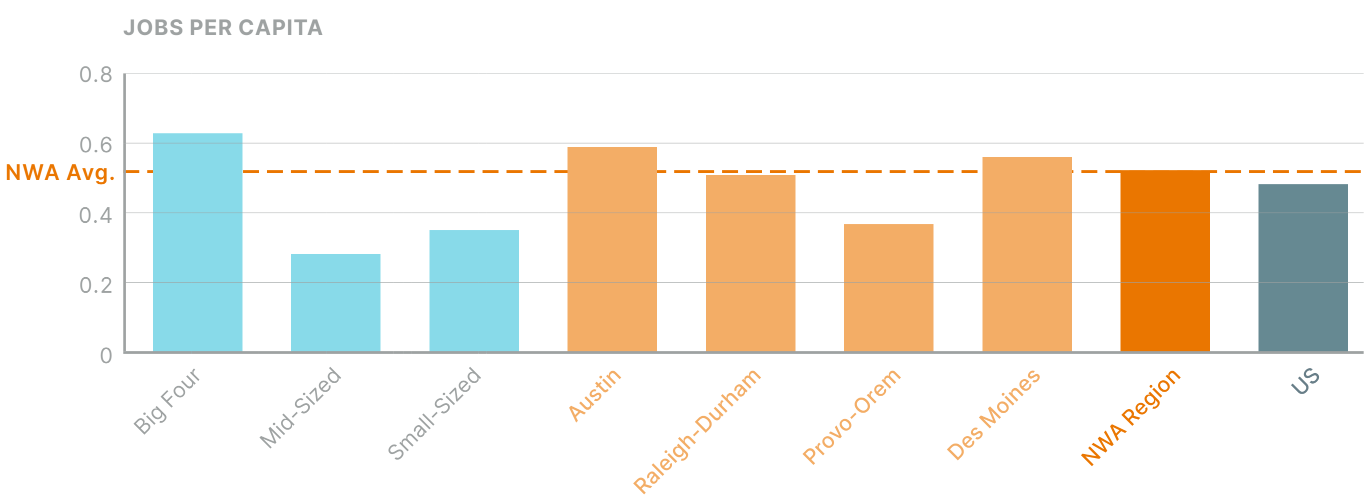
1.0
2.0
3.0
500
1k
1.5k
Ratio of Jobs by Square Mile


JOBS PER CAPITA
0.8
0.6
NWA Avg.
0.4
0.2
0
Big Four
Mid-Sized
Small-Sized
Austin
Raleigh-Durham
Provo-Orem
Des Moines
NWA Region
US

Commuting Patterns

Inflow & Outflow of Workers

Commuting patterns across Northwest Arkansas reflect a strong concentration of employment within the central I-49 corridor, anchored by Fayetteville, Springdale, Rogers, and Bentonville, along with employment hubs in Siloam Springs and Gentry on Highway 59. Outside of these areas, most communities function as net exporters of labor, with more residents commuting out for work than commuting in or staying local.

The Big 4 cities generally experience a net inflow of commuters, reinforcing their roles as the region's economic engines. Fayetteville leads in the share of residents who live and work within the city, yet even here, the combined number of inbound and outbound commuters exceeds internal workers. Bentonville and Springdale attract substantial daily inflows, while Rogers remains nearly balanced, with a close match between inbound and outbound workers.

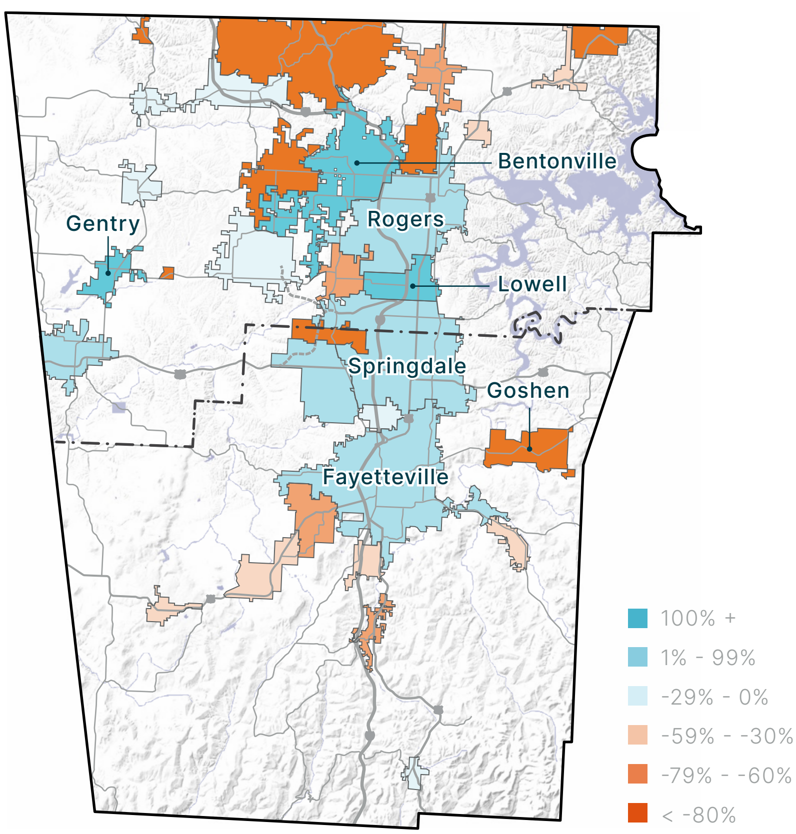
Mid-sized cities are predominantly commuter towns, with residents traveling to employment centers along I-49. However, Siloam Springs and Lowell break this pattern, each attracting significant numbers of inbound workers. Notably, Lowell's inflow closely mirrors Bella Vista's outflow, revealing contrasting roles: Bella Vista as a residential enclave, Lowell as an employment center.

Among smaller cities, Gentry and Tontitown attract notable commuter inflows, with Tontitown's balance of incoming and outgoing commuters distinguishing it from others in its category. Most other small cities remain heavily reliant on external employment.

These patterns create significant implications for regional traffic congestion, particularly during peak travel times. The heavy cross-commuting—especially between residential communities and job centers along I-49—contributes to mounting congestion pressures on the corridor and adjacent arterials. The lack of balanced live-work opportunities within most cities increases vehicle miles traveled (VMT) and intensifies strain on regional infrastructure. Congestion is especially acute at choke points such as interchanges in Springdale and Rogers, where high volumes of both local and regional traffic converge.

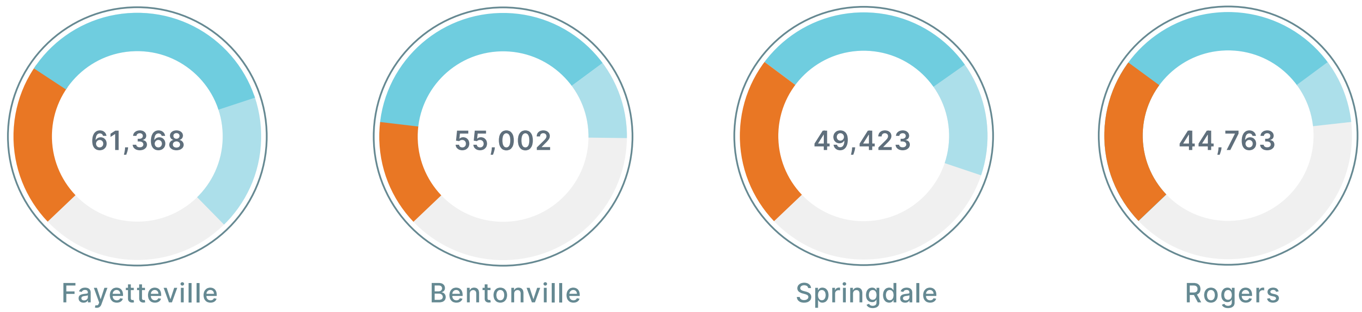
The distribution of the daytime workforce further reinforces this pattern. The largest concentrations are in the Big 4 and Lowell, where job density generates substantial inbound traffic. Siloam Springs, despite being outside the I-49 corridor, maintains a comparable daytime workforce, underlining its enduring role as an employment hub tied to logistics and manufacturing.

Looking ahead, this dispersed commuting pattern will demand coordinated regional transportation planning, with an emphasis on managing peak-hour flows, expanding transit and multimodal options, and creating more housing near job centers. Moreover, employment growth in cities like Gentry, Elkins, and Prairie Grove—if supported with infrastructure—could reduce pressure on core corridors by allowing more residents to work closer to home.

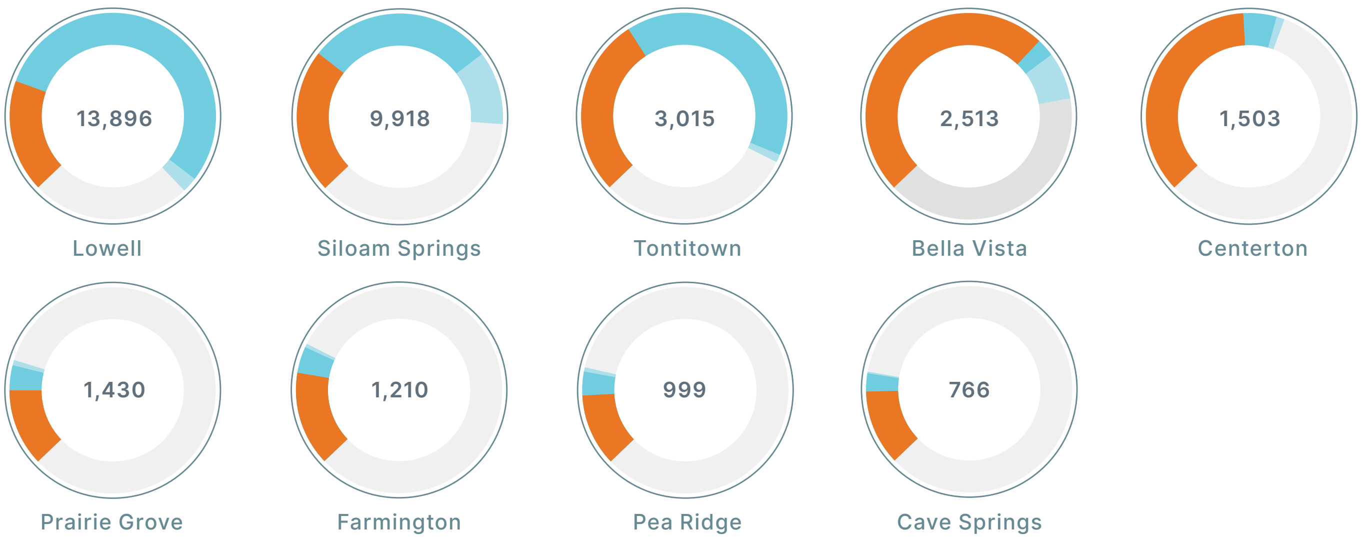


NET DAILY LABOR FLOW AS A PERCENTAGE OF RESIDENT LABOR FORCE

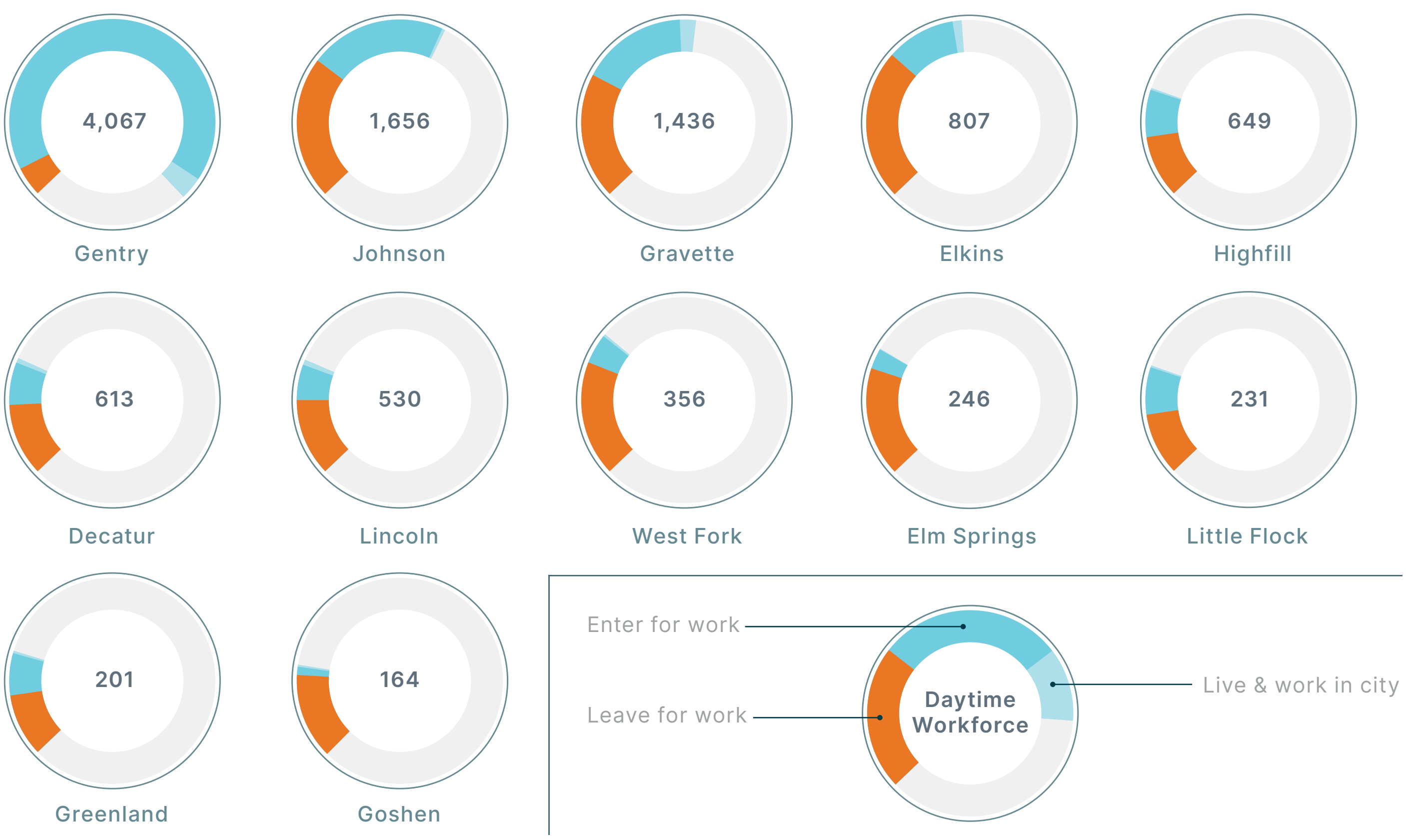
BIG FOUR CITIES - DAYTIME WORKFORCE



MID-SIZED CITIES - DAYTIME WORKFORCE



SMALL CITIES - DAYTIME WORKFORCE



Housing & Transportation

Impact of Transportation on Family Budgets

In Northwest Arkansas, affordability challenges extend beyond the price of housing. When transportation costs are considered alongside housing expenses, a more comprehensive picture of household burden emerges. The Housing + Transportation (H&T) Index reflects the combined percentage of income spent on these two essential needs, revealing clear geographic patterns and key outliers across the region.

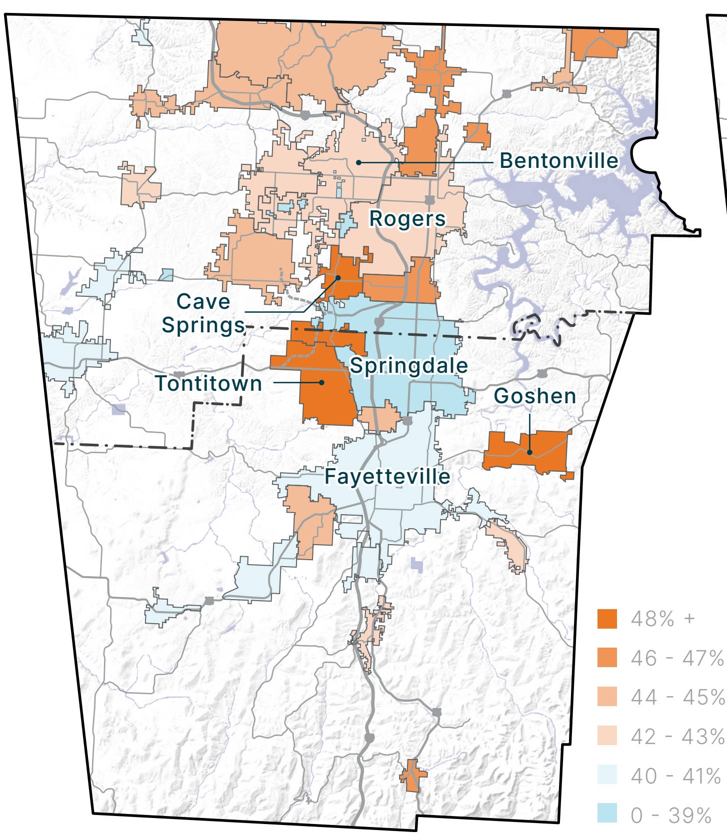
On average, households in the region spend about 46% of their income on housing and transportation combined—a figure that is comparable across city categories. However, this average conceals significant variation in what drives cost burden. In most communities, transportation costs rise with distance from the I-49 corridor, where job centers are concentrated. The Big Four cities—Fayetteville, Springdale, Rogers, and Bentonville—are the most affordable from a transportation standpoint, benefiting from proximity to employment, shorter commutes, and lower vehicle miles traveled (VMT). These cities also post the region's lowest transportation-related emissions.

By contrast, cities farther from the corridor—such as Winslow, West Fork, and Prairie Grove—experience much higher VMT and emissions, pushing transportation costs upward even when housing remains relatively affordable. These costs often place a disproportionate burden on working households commuting long distances daily.

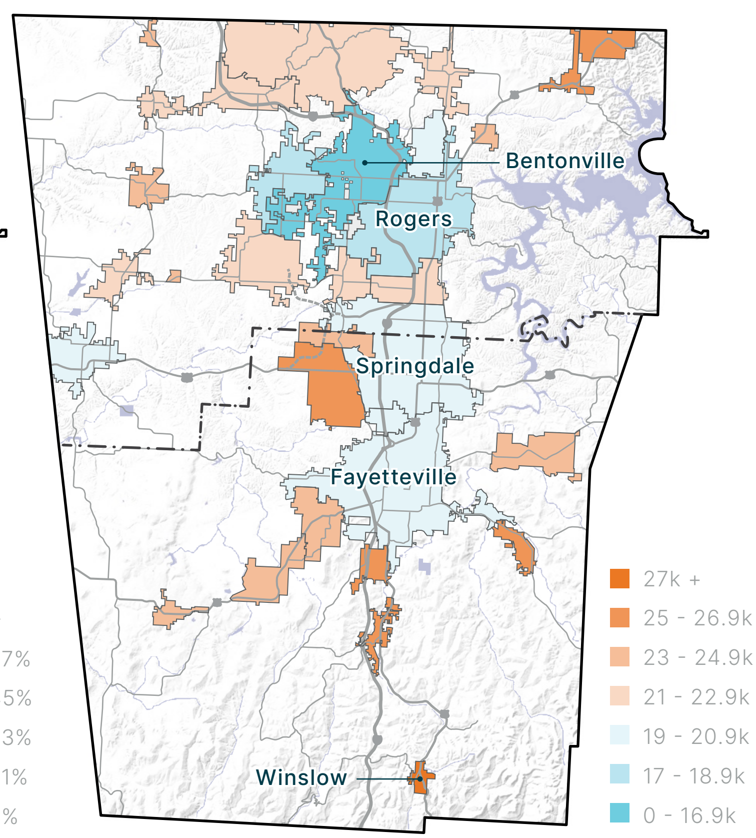
While distance from I-49 tends to explain higher transportation costs, several cities—Cave Springs, Elm Springs, Goshen, and Tontitown—stand out as outliers due to high housing costs rather than long commutes. These communities, while not remote, have become desirable residential enclaves with rising home values. As a result, their total H&T cost burden exceeds that of many peers, despite having transportation expenses similar to the regional average.

Across all city types, location relative to job centers is a more consistent predictor of transportation burden than city size alone. Still, small cities show the highest annual VMT and CO_2 emissions per household, further reflecting the tradeoffs families face when choosing more affordable housing farther from employment.

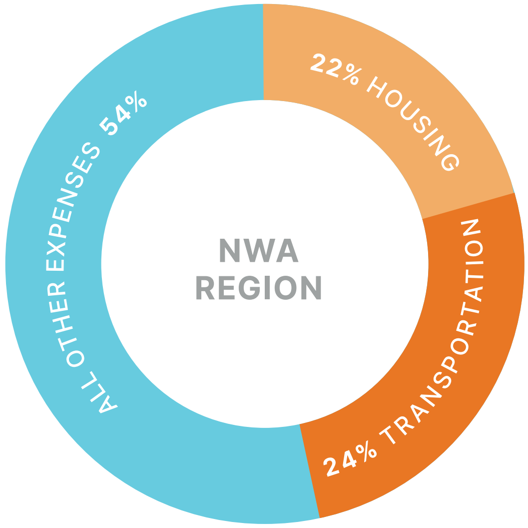
Compared to peer regions, Northwest Arkansas ranks near Raleigh–Durham and Des Moines for total H&T burden. However, it exceeds Provo–Orem and Austin, where more compact growth patterns and public transit help lower transportation costs. For Northwest Arkansas, growing outwards does not reduce household cost burden, increasing housing options near job centers and reducing transportation demand are essential to achieving lasting affordability.



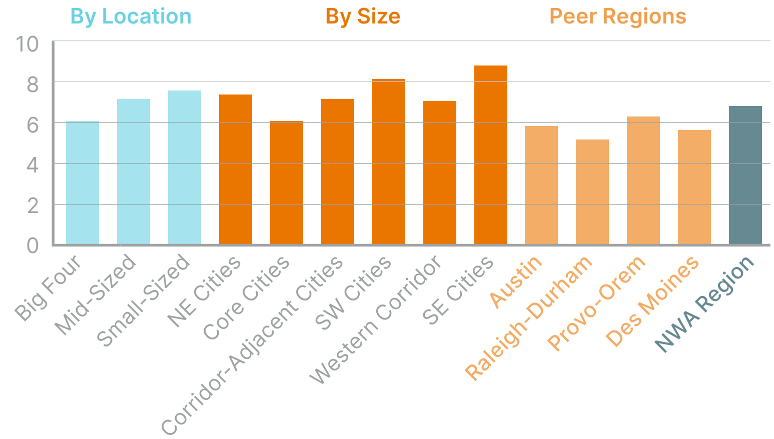
PERCENT OF HOUSEHOLD INCOME SPENT ON HOUSING + TRANSPORTATION

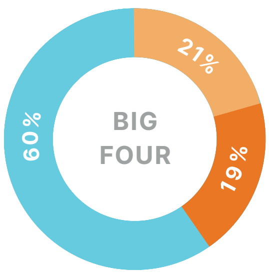


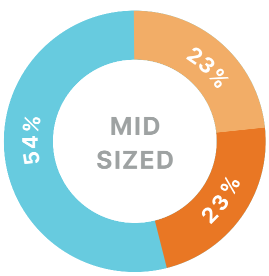
VEHICLE MILES TRAVELED PER HOUSEHOLD

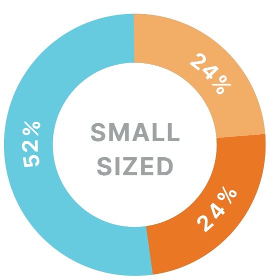


TONS OF CO2 PER HOUSEHOLD (ANNUAL)

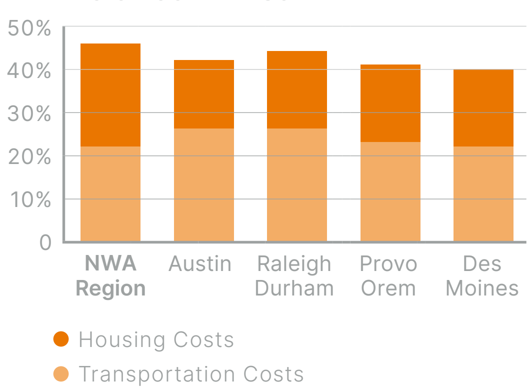






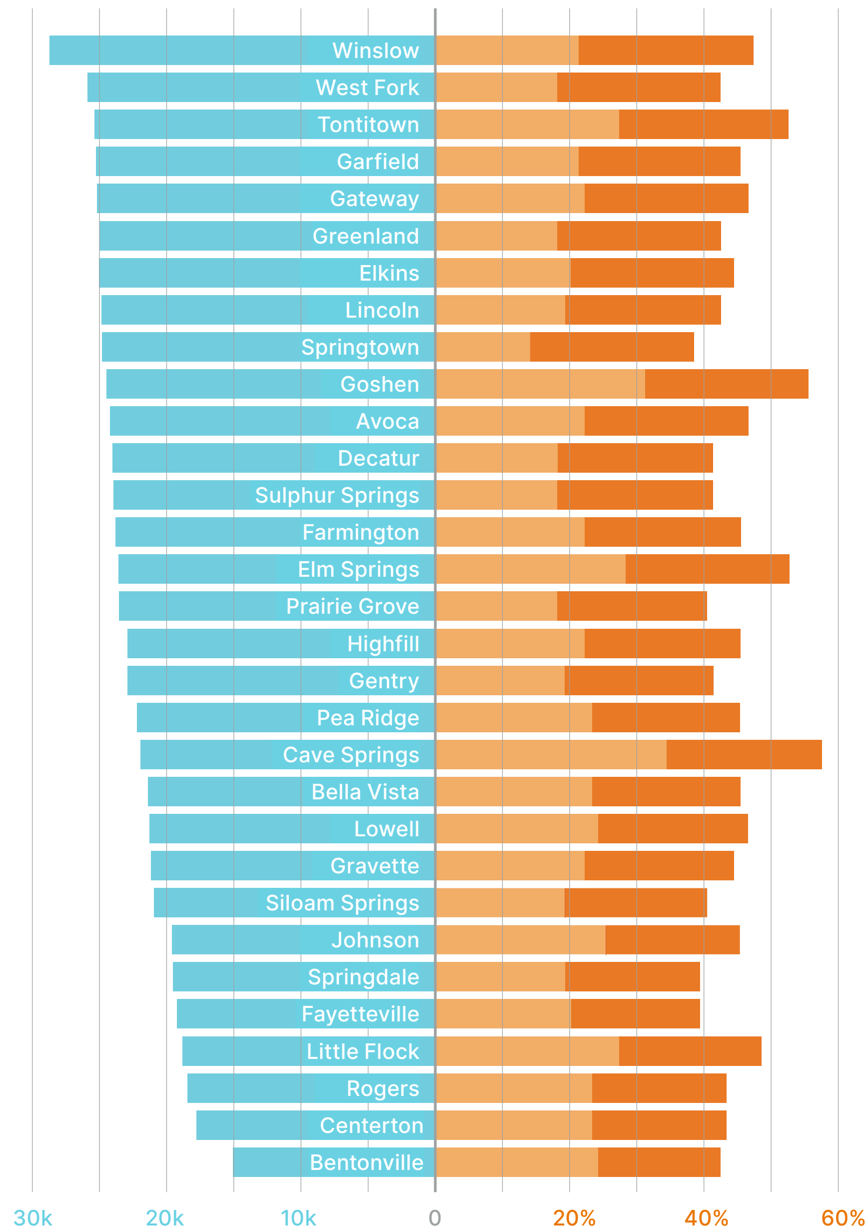


HOUSING & TRANSPORTATION PEER REGION COMPARISON



ANNUAL VEHICLE MILES TRAVELED PER HOUSEHOLD

PERCENTAGE OF HOUSEHOLD BUDGET



Housing Cost

Sales & Rental Costs

Housing affordability in Northwest Arkansas varies significantly across cities, especially when examining the share of cost-burdened households—those spending more than 30% of income on housing. Though prices have risen across the region, affordability pressures differ based on city size, income level, and location relative to employment centers.

Fayetteville is the most cost-burdened city, with over 50% of households affected. Springdale, Rogers, and Bentonville follow closely, each with more than 40%, primarily due to large numbers of low-income residents. While the lowest-income households are most burdened across the region, outliers exist. Siloam Springs has high cost burden among moderate-income earners but lower rates among the lowest. Gravette has the region's highest cost burden for high-income households.

Overall, 35% of homeowners in the region are cost burdened—higher than the national rate of 23%. In contrast, renters in Northwest Arkansas are less burdened than the U.S. average, with 25.4% affected versus 50% nationally. Still, the lack of affordable options means many low-income households face pressure, including those in ownership.

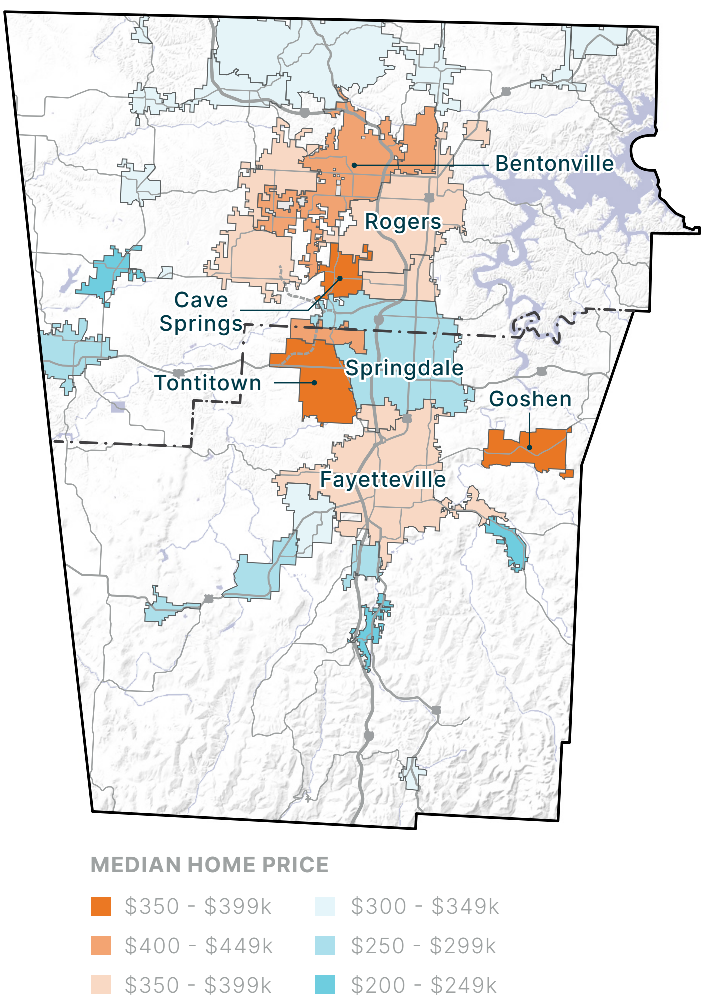
In terms of home prices, the Big Four—Fayetteville, Springdale, Rogers, and Bentonville—have followed similar trajectories, with Bentonville emerging as the most expensive and Springdale the least. These prices are generally aligned with most mid-sized cities, aside from Cave Springs, which is significantly higher, and Tontitown, which is quickly rising.

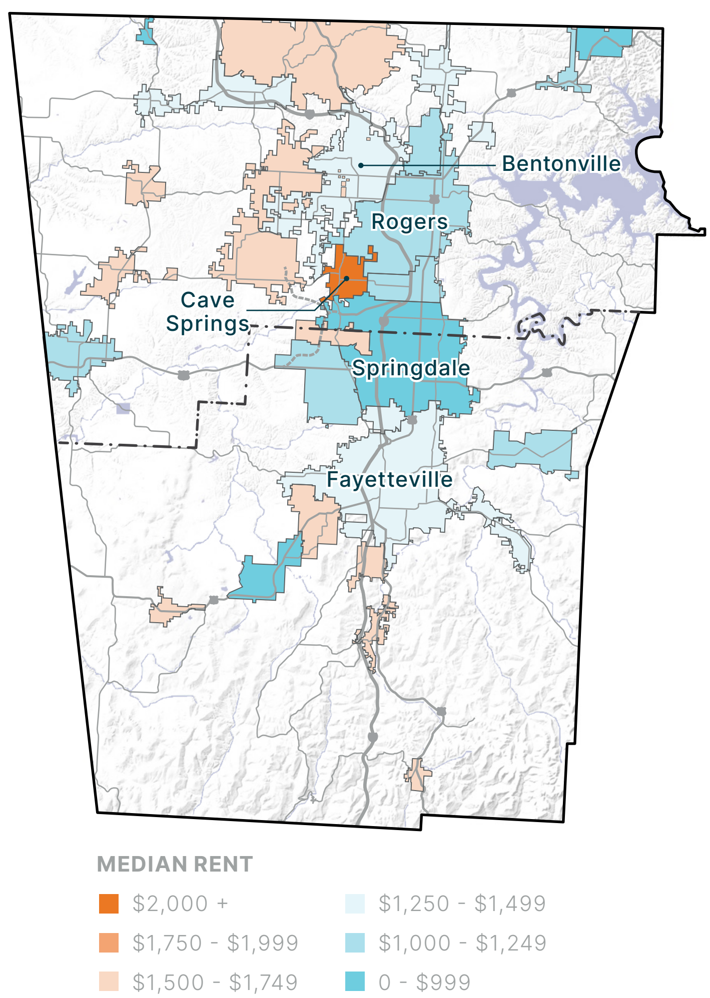
Small cities show greater variation in prices. Most remain more affordable, though those near job centers—or offering upscale housing like Goshen—report much higher values. Goshen remains a top outlier with some of the highest prices in the region.

Cost burden is most severe for lower-income households, underscoring a shortage of affordable rental units and likely cost pressures on lower-income homeowners. While small cities show the lowest homeowner burden, they have the highest renter burden in the region.

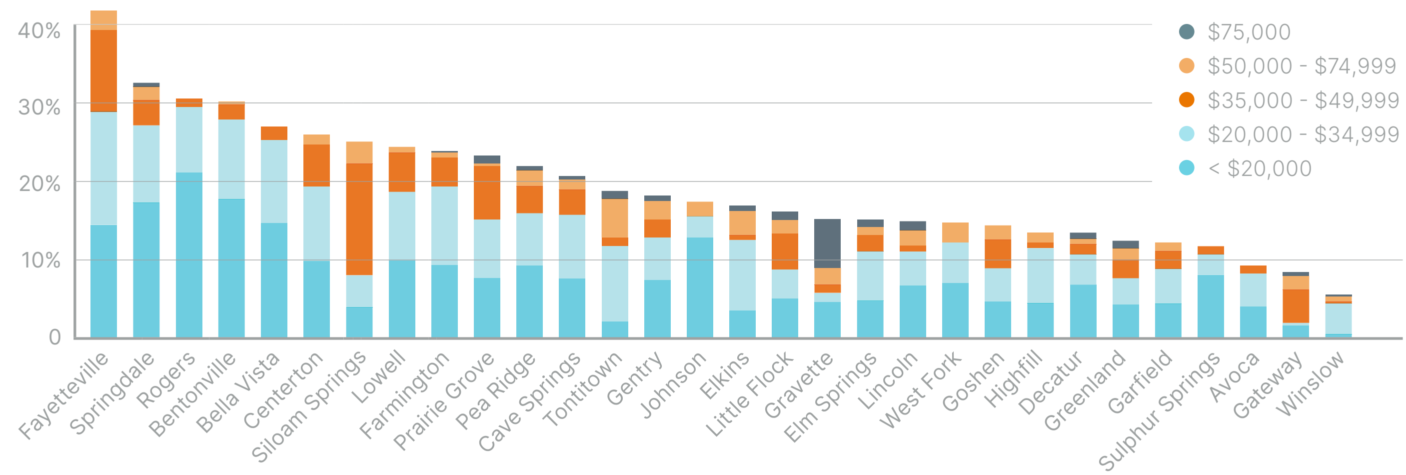
Compared to peer metros, the Big Four mirror homeowner cost burden levels in Austin and Provo-Orem, with Raleigh-Durham close behind. Mid-sized cities in Northwest Arkansas remain more affordable than the U.S. average. Yet as demand rises, affordability challenges are spreading outward.

Altogether, the region's affordability landscape is increasingly complex. While cost burden is concentrated among lower-income households, pressures are rising across income levels and city types. Addressing the region's evolving needs will require focusing not just on price, but on housing type, location, and access to opportunity.



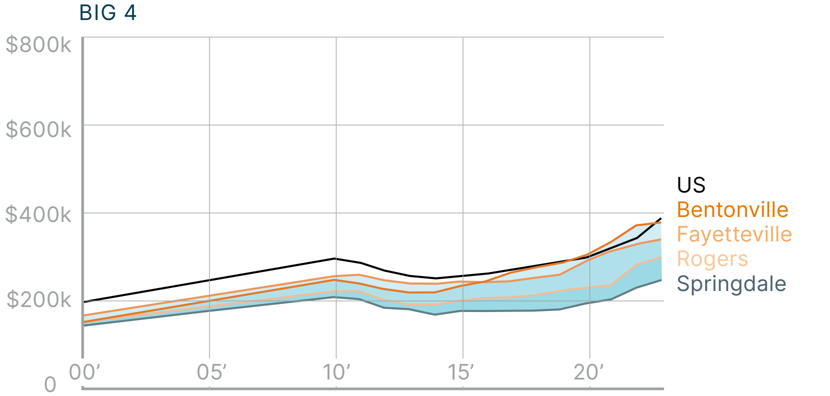


PERCENTAGE OF COST BURDENED HOUSEHOLDS BY CITY & INCOME BRACKET

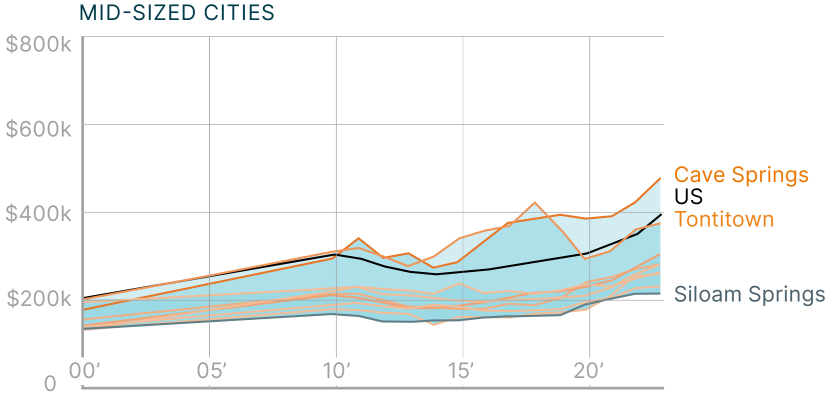


INFLATION ADJUSTED HOME PRICES

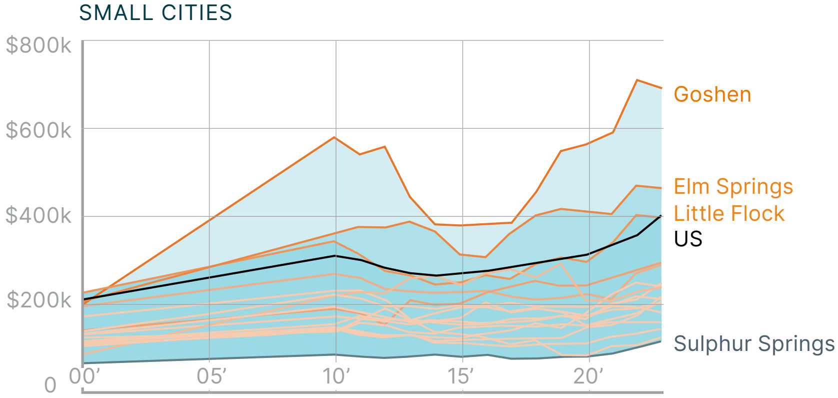
BIG 4



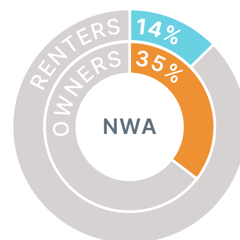
MID-SIZED CITIES

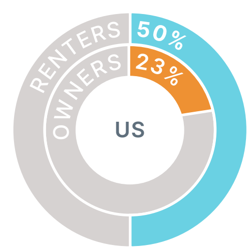


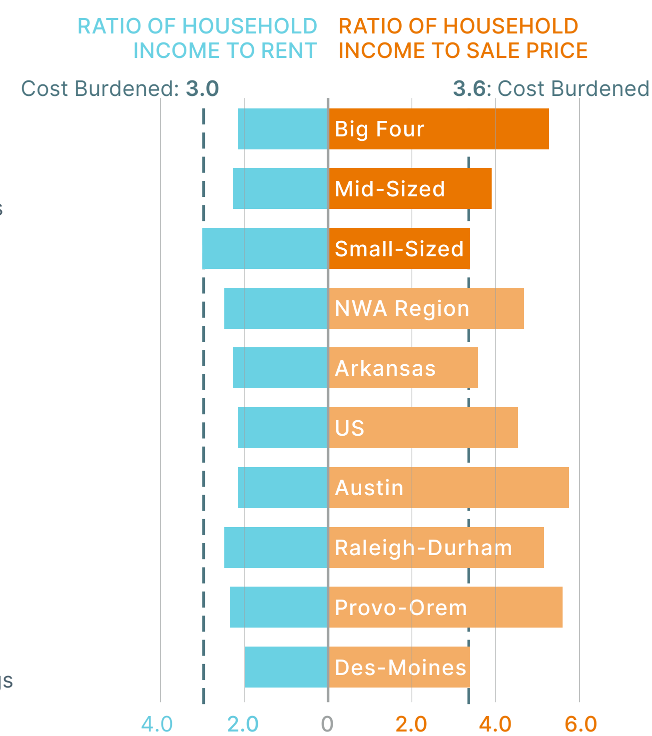
SMALL CITIES



COST BURDENED HOUSEHOLD







Housing Tenure

Existing Split of Owners & Renters

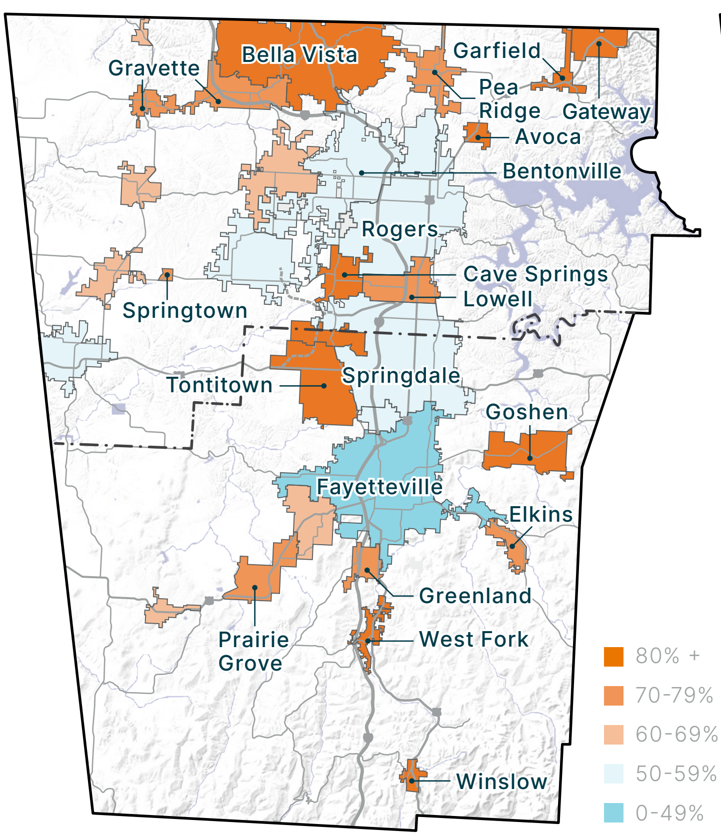
Housing tenure across Northwest Arkansas reveals clear differences tied to city size and function. The Big 4 cities—Fayetteville, Springdale, Rogers, and Bentonville—have significantly higher proportions of renter households, averaging around 52%, compared to 39% region-wide and just 24% in mid-sized cities. Among the Big 4, Fayetteville leads in rental share, a reflection of the University of Arkansas's influence, which also pushes Washington County's overall rental rate to just above 50%. These rental patterns align Northwest Arkansas's urban core with peer regions such as Austin and Raleigh-Durham, where higher education institutions and strong in-migration similarly drive rental demand. On the whole, the region has a higher rental share than the national average, roughly aligned with the state, highlighting the young demographics as well as complicated household income dynamics.

Mid-sized cities in the region have the highest homeownership rates, averaging around 76%, a figure that surpasses peer regions like Provo-Orem. However, Siloam Springs stands out as an exception, with rental levels closer to those of the Big 4, reflecting its more diverse housing stock and employment base. Small cities average around 70% homeownership, though many of the smallest towns exceed 80% ownership, which raises the category average.

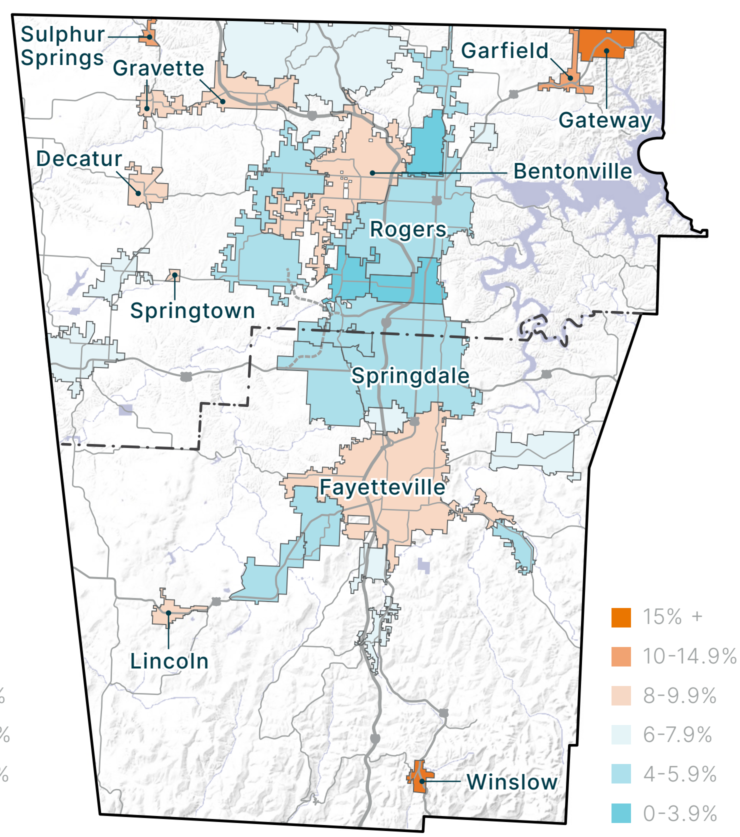
Differences in county-level tenure also reflect these trends. Benton County has a lower share of renters than Washington County, influenced by communities like Bella Vista—a primarily owner-occupied retirement destination—and the absence of a large university. Conversely, Washington County's rental levels are elevated by Fayetteville's student-driven housing market.

Interestingly, vacancy rates in the region do not strongly correlate with tenure type. Communities with higher ownership do not necessarily have lower vacancies, and vice versa. Moreover, common assumptions that rental housing equates to higher crime or poorer maintenance are not supported by strong evidence. In reality, rental and ownership housing exist across all price points and housing types, and tenure alone is not a reliable indicator of neighborhood quality.

Looking forward, housing demand projections suggest rental rates will continue to rise across the region, particularly in the Big 4 cities, which are expected to absorb most of the region's future growth. Mid-sized cities may also see a modest increase in renters, driven by shifting demographics and evolving housing preferences. In contrast, small cities are likely to maintain their current tenure patterns, with homeownership remaining dominant.

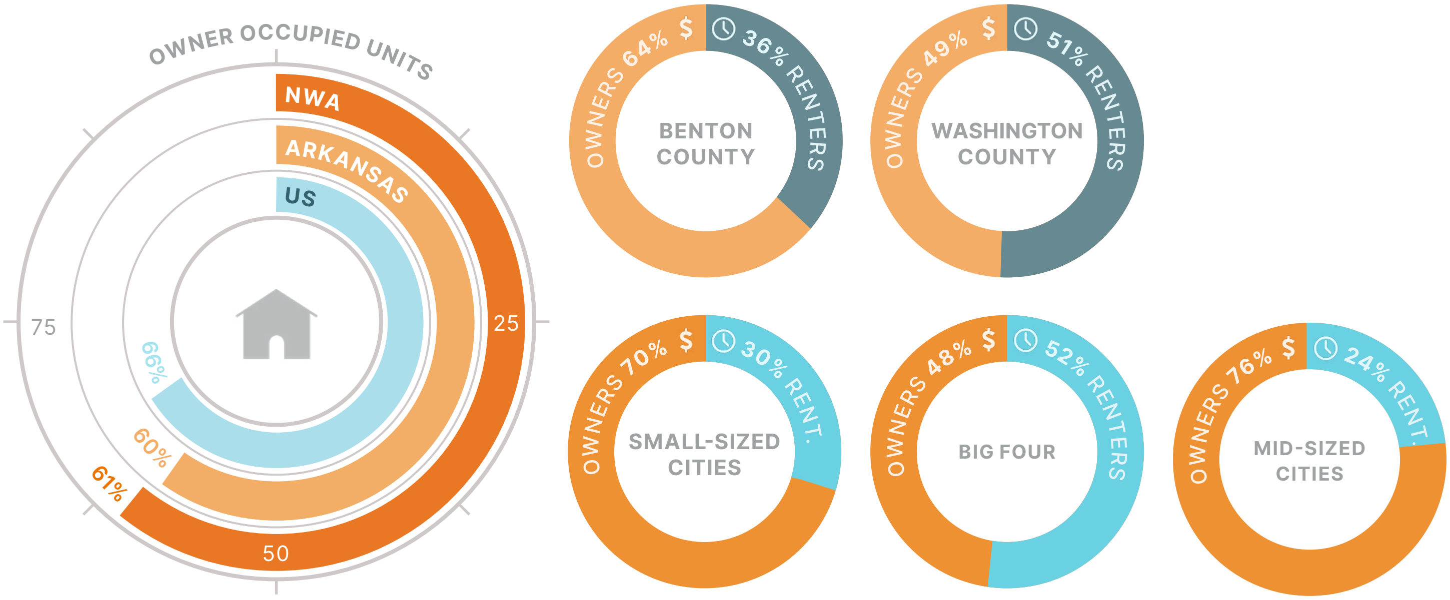


PERCENT OWNER OCCUPIED

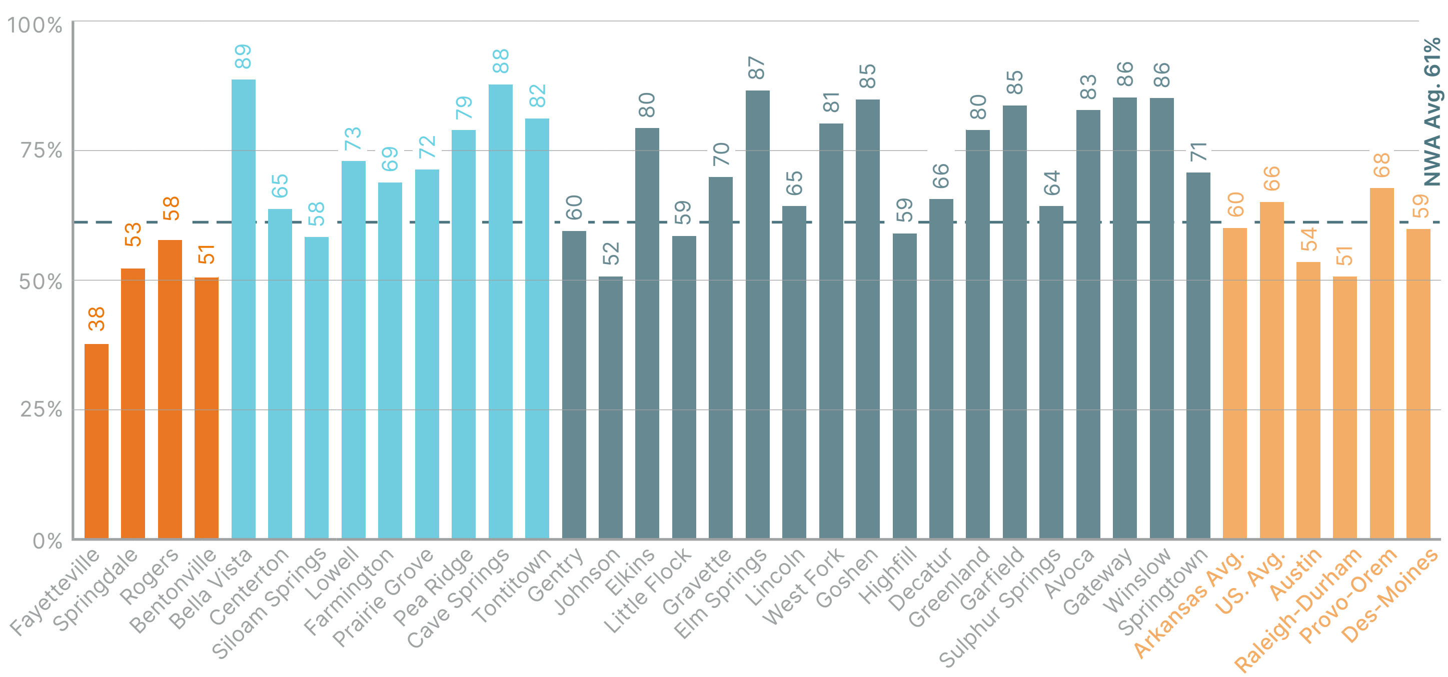


RESIDENTIAL VACANCY RATE

HOMEOWNERSHIP RATES ACROSS THE NWA REGION



HOMEOWNERSHIP RATE BY CITY



Housing Supply

Types of Housing Provided & Forecast Demand

Northwest Arkansas faces a growing mismatch between housing supply and demand—particularly by type. While demand exists across all housing categories, there is a consistent shortfall of multi-family and townhome units, paired with an oversupply of single-family homes. This pattern is evident across the Big Four, mid-sized cities, and small towns, though the severity of imbalance varies.

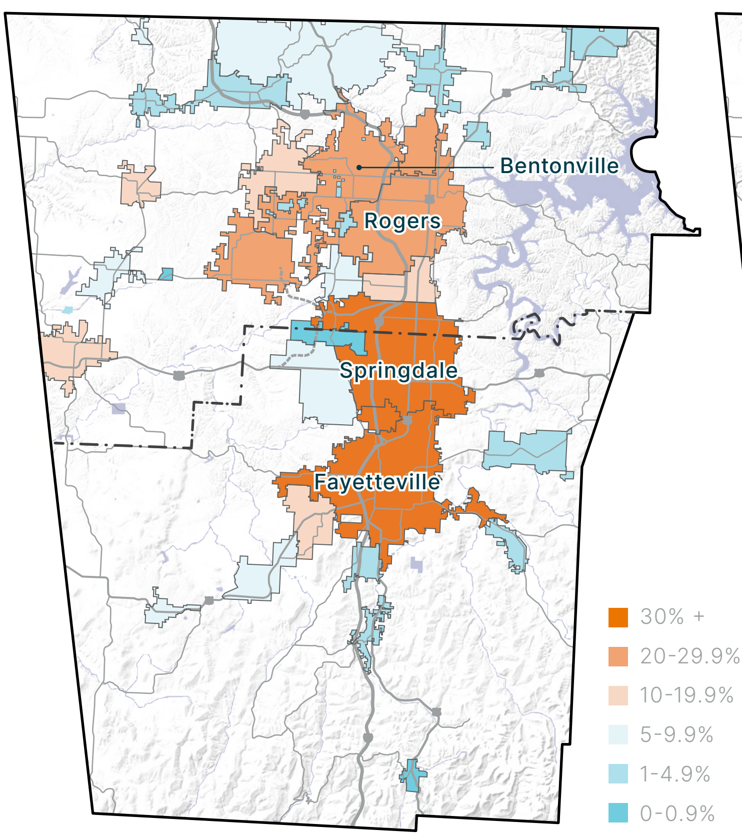
In the Big Four cities, demand for multi-family housing accounts for roughly two-thirds of projected growth, yet supply lags far behind. Mid-sized cities show a more even split between single-family and multi-family demand, but existing development remains skewed toward detached homes. Townhomes are similarly underbuilt, representing about half of the units needed to meet regional housing preferences. Small cities maintain a slightly higher preference for single-family housing but still under-deliver on multi-family supply.

These disparities drive up costs and reduce housing flexibility. Many lower- and middle-income renters are priced out of apartments and condominiums and pushed into single-family homes that may not suit their income, lifestyle, or family size. This displacement further tightens supply and inflates prices—adding pressure across the entire market. Contributing factors include legacy zoning policies, limited entitlement pathways for diverse housing types, and cautious lending practices that favor conventional subdivisions.

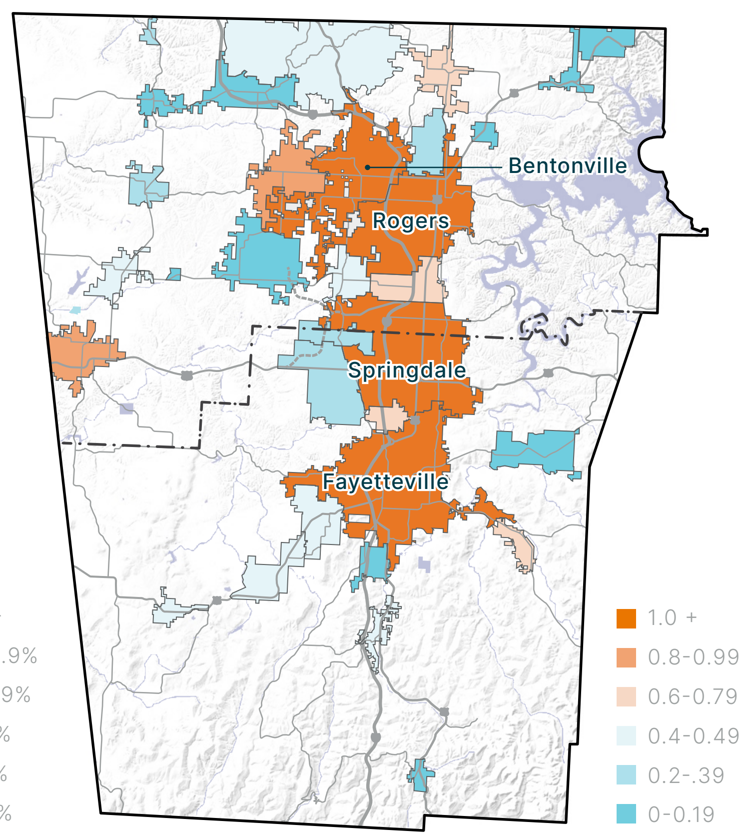
About half of the region's housing is located in the Big Four, which continue to lead in total new units built. Though Mid-sized and Small Cities are growing more rapidly on a percentage basis, they still trail the larger cities in volume. Much of this growth, however, remains low-density. Few cities exceed 2.5 housing units per developed acre. Even Fayetteville, the most compact of the Big Four, falls short of urban density norms. Bentonville, despite its growth and jobs base, remains the least dense among major cities.

Among smaller communities, Centerton and Prairie Grove lead in housing density, while Johnson and Bella Vista represent contrasting outliers—Johnson with a high-density average driven by a few large apartment complexes, and Bella Vista with extensive road infrastructure and sparse development.

As the region continues to grow, aligning housing supply with projected demand—particularly for multi-family and missing middle housing—will be critical. More diverse, higher-density development can improve affordability, reduce infrastructure strain, and offer more options for a changing population. Every city in the region will need to support a wider range of housing types to ensure equitable, sustainable growth.

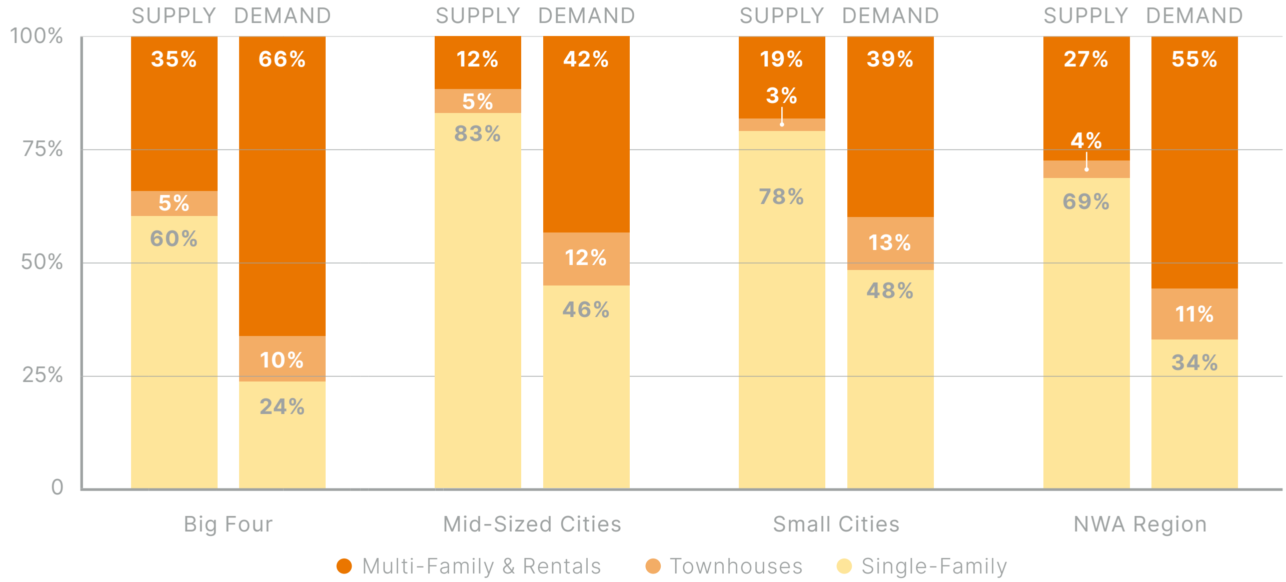


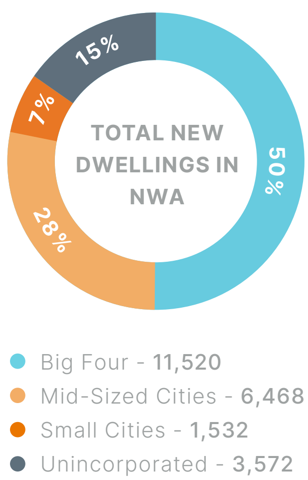
PERCENTAGE OF MULTIFAMILY HOMES



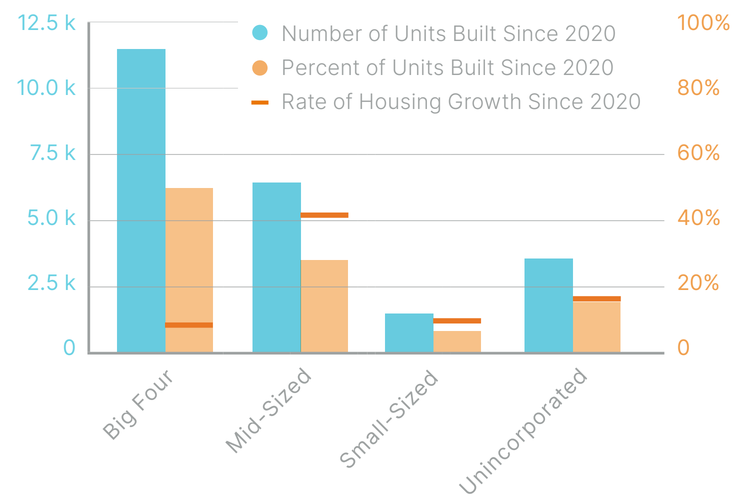
HOMES PER ACRE (DENSITY)

COMPARISON OF EXISTING SUPPLY WITH DEMAND BY HOUSING TYPE

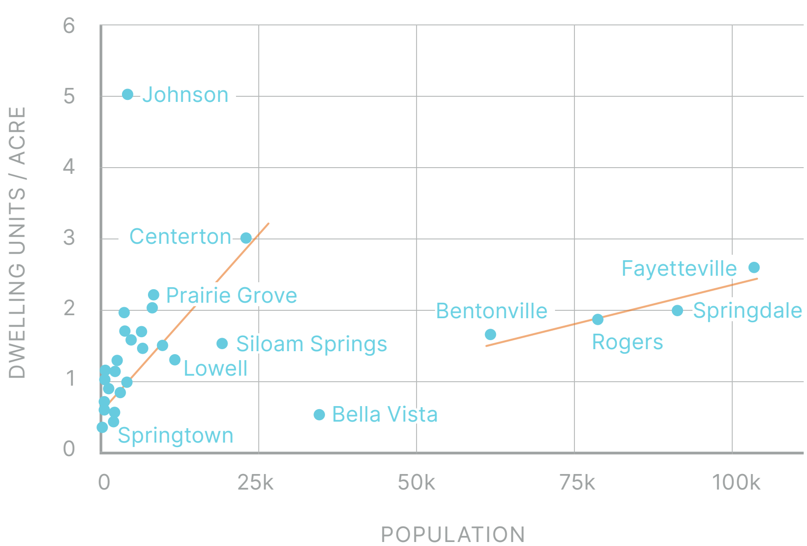


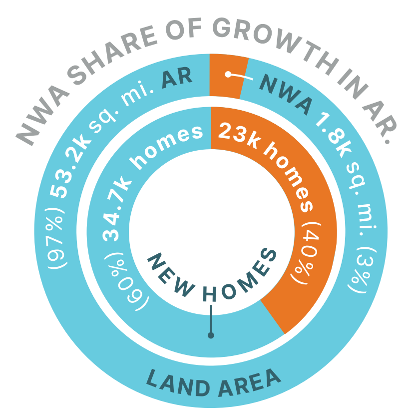


HOUSING BUILT SINCE 2020



DENSITY VS. POPULATION





Demand for New Homes

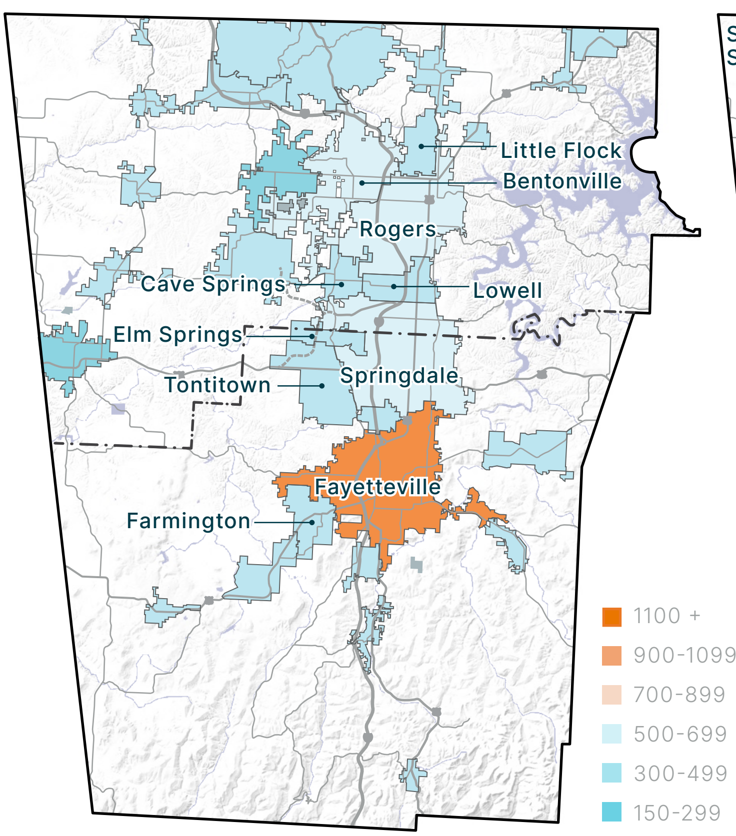
Regional Housing Absorption Forecast

Housing demand in Northwest Arkansas reflects a clear and growing need for multi-family housing, which leads all product types in market absorption, followed by steady demand for single-family detached homes and a smaller but stable market for townhomes. This hierarchy holds true across most of the region. However, in smaller cities and unincorporated areas, single-family housing slightly outpaces multi-family in market demand, suggesting that development preferences there are still more suburban in character.

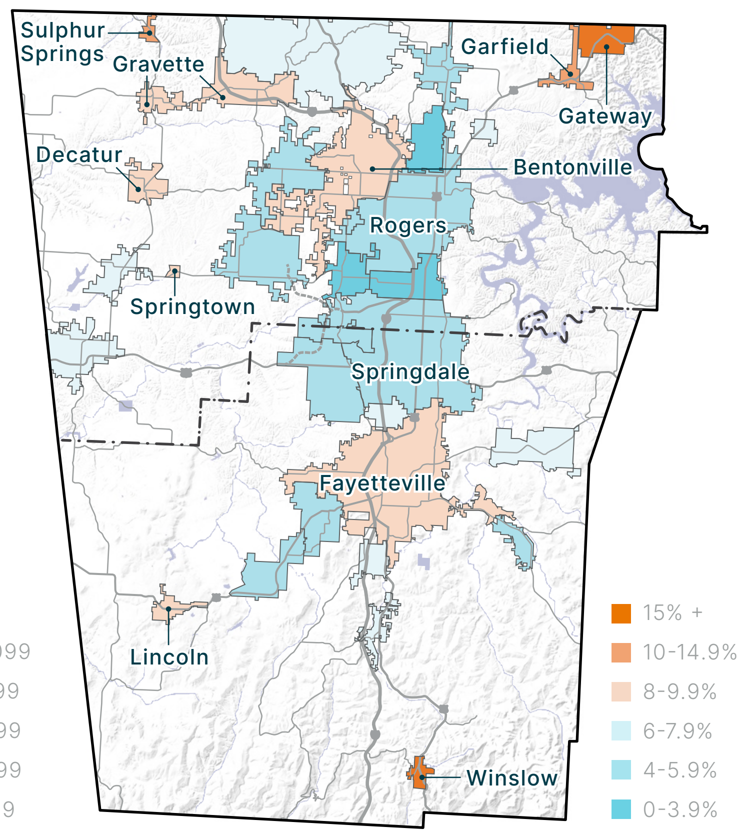
Among the region's core cities, Fayetteville shows the highest annual market potential, with demand approaching 800 new housing units per year—more than double the estimated absorption in Springdale, Rogers, or Bentonville, each of which averages around 300 units annually. This distribution mirrors Fayetteville's role as a regional hub with a large student and rental population, while other cities exhibit demand more closely tied to employment growth and family-oriented development patterns.

It is important to note that projected housing demand does not always align perfectly with population growth forecasts. This mismatch often reflects zoning constraints, land availability, and infrastructure limitations, particularly in smaller or fully built-out areas. As a result, some communities may not be able to meet their full market potential without policy or planning adjustments.

Looking ahead, corridor-adjacent towns and smaller cities have meaningful potential for housing development, although current projections indicate demand in these areas will remain significantly below the core cities—approximately one-tenth the scale of Fayetteville or Bentonville. These patterns suggest that regional housing strategy should prioritize densification and infrastructure support in high-demand nodes, while also enabling responsible growth in secondary markets.

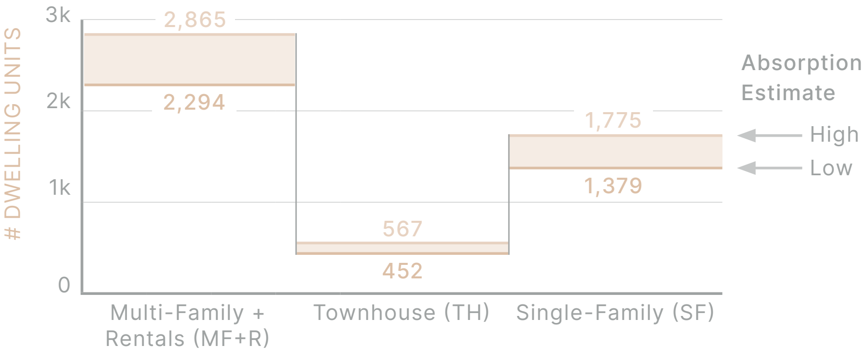


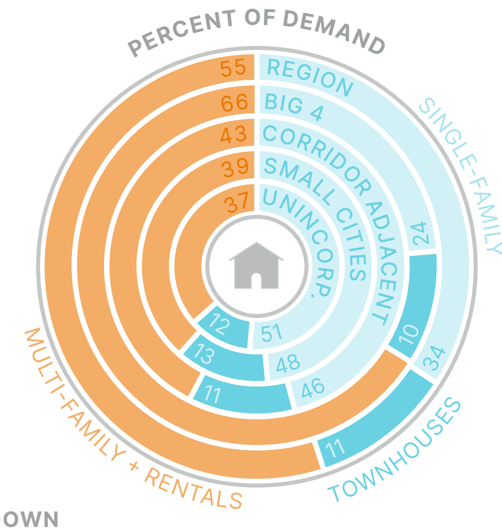
PROJECTED ANNUAL GROWTH IN HOMES



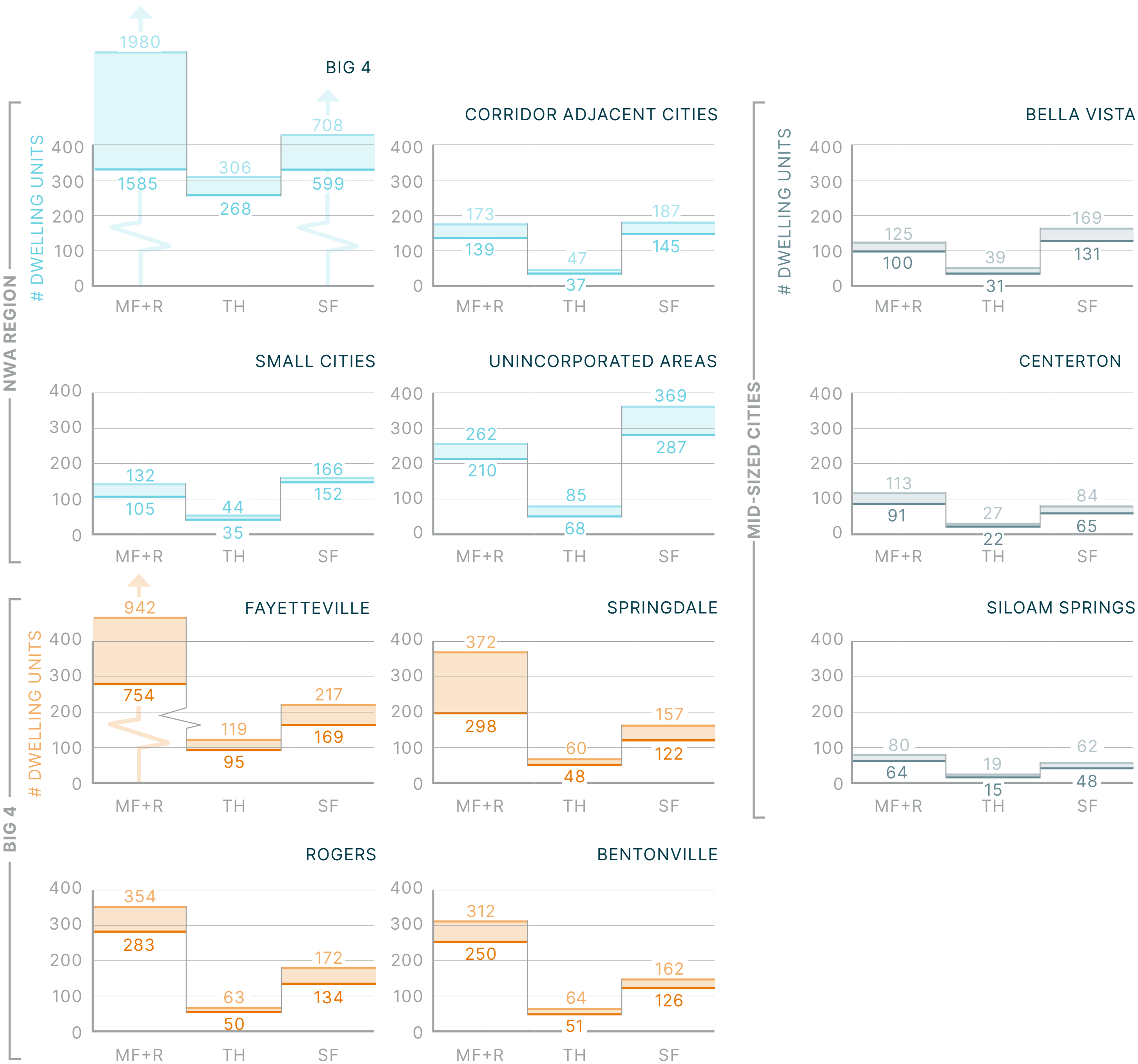
PROJECTED ANNUAL GROWTH RATE

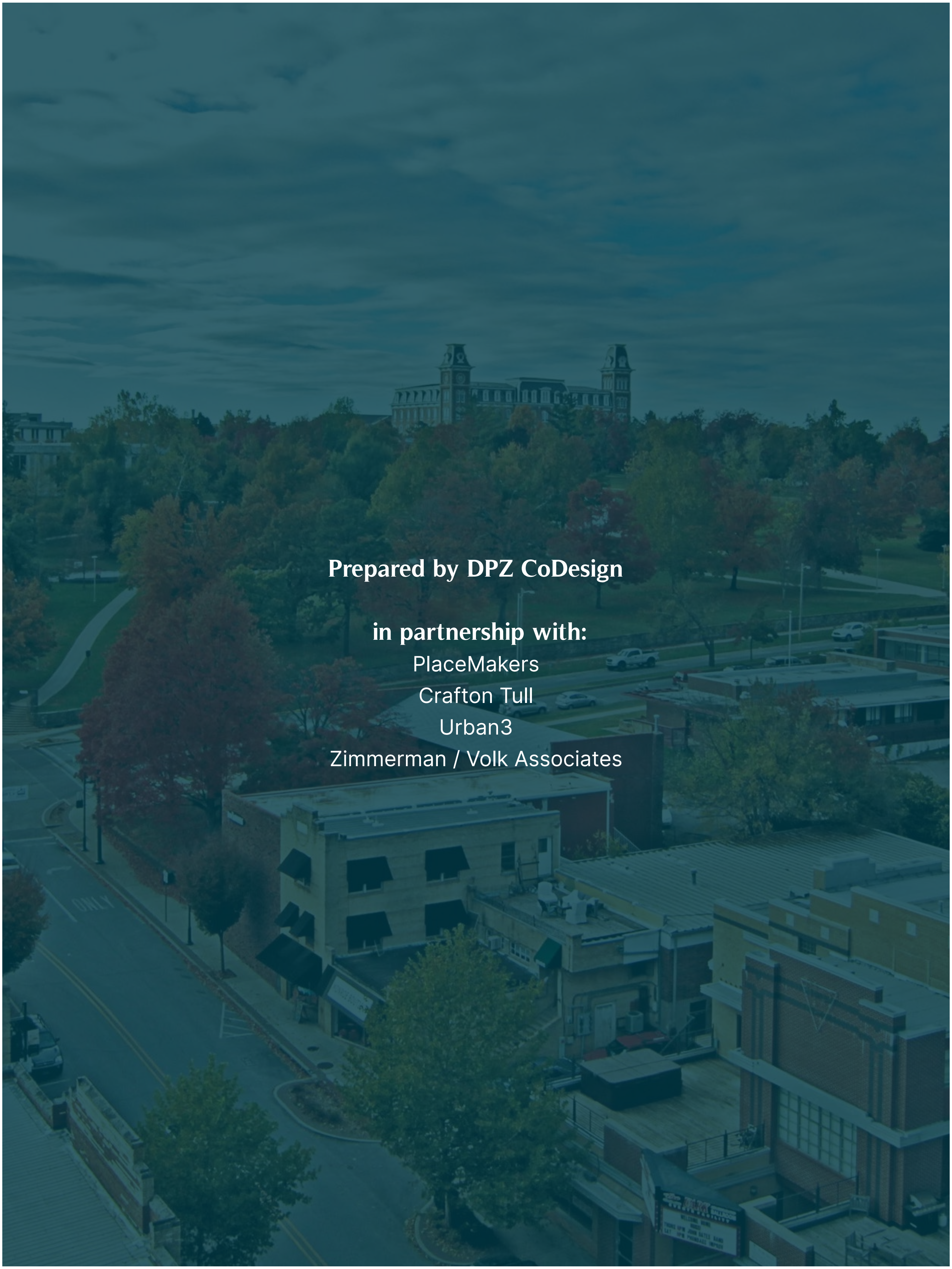
RANGE OF FORECAST ABSORPTION BY DWELLING TYPE - NWA REGION





RANGE OF FORECAST ABSORPTION BY DWELLING TYPE - NWA REGION BREAKDOWN





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