

COMPREHENSIVE HOUSING MARKET ANALYSIS

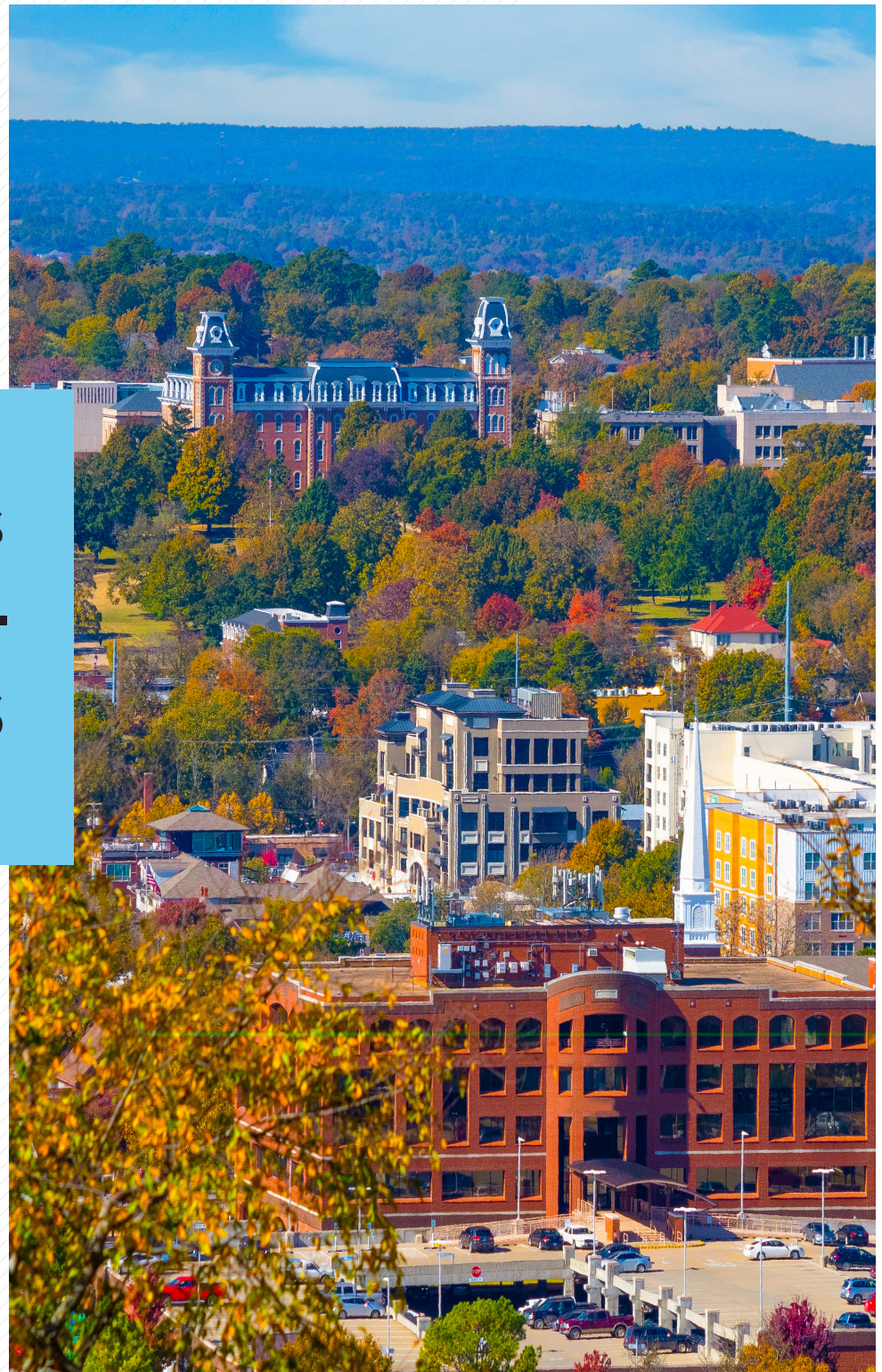
Fayetteville-Springdale-Rogers, Arkansas

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of April 1, 2025



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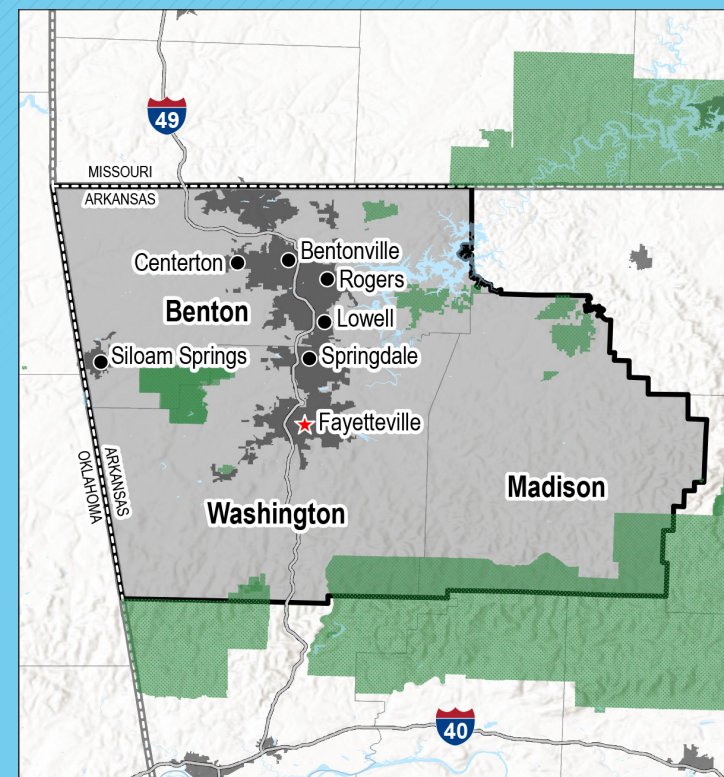
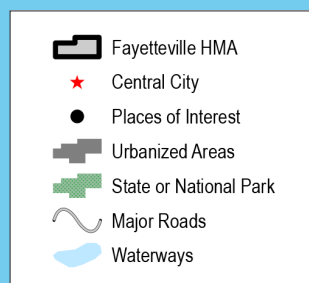
Executive Summary

Housing Market Area Description

The Fayetteville-Springdale-Rogers (hereafter, Fayetteville) Housing Market Area (HMA) includes Benton, Madison, and Washington Counties in northwest Arkansas. The HMA, in the Ozark Mountains, is coterminous with the Fayetteville-Springdale-Rogers, AR Metropolitan Statistical Area (MSA). The HMA draws residents and visitors for its numerous state parks, more than 500 miles of lake shoreline, and a wide array of entertainment and sports events, including shows at several local art centers and University of Arkansas (UA) football games.

The current population of the HMA is estimated at 617,900.

The Fayetteville HMA includes the headquarters of three Fortune 500 companies: Walmart Inc. (Walmart), Tyson Foods, Inc. (Tyson), and J.B. Hunt Transport Services, Inc. (J.B. Hunt). Walmart is ranked number 1 on the 2025 Fortune 500 list and is the largest company in the world in terms of revenue; Tyson and J.B. Hunt are ranked 85 and 348, respectively. Among MSAs with a population of less than 1 million, the Fayetteville HMA is the only one with a company in the top 20 of the Fortune 500 list and two companies in the top 100. These large companies in a relatively small metropolitan area have an outsized impact and have contributed to strong economic and population growth during the past 15 years.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).

Additional data for the HMA can be found in this report's [supplemental tables](#).

For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).



Market Qualifiers

Economy



Strong: Since 2011, nonfarm payrolls in the Fayetteville HMA have increased an average of 3.3 percent annually, more than double the national average rate of 1.4 percent annually.

Job growth is strong in the HMA. During the 12 months ending March 2025, nonfarm payrolls increased by 8,000 jobs, or 2.7 percent, accelerating from the previous 12 months, when nonfarm payrolls increased 2.5 percent. During the 12 months ending March 2025, 8 of the 11 nonfarm payroll sectors added jobs, with 3 of the sectors increasing more than 4.0 percent. The unemployment rate in the HMA is 2.8 percent, up from 2.5 percent during the previous 12 months. During the 3-year forecast period, nonfarm payroll growth is expected to slow but remain strong and average 2.3 percent annually.

Sales Market



Balanced: The home sales vacancy rate is estimated at 1.7 percent, unchanged from April 2020.

During the 12 months ending March 2025, new and existing home sales totaled 12,325, an increase of 640, or slightly more than 5 percent, from the previous 12 months (Zonda). The average sales price of a home was \$397,900, up by \$9,875, or nearly 3 percent, from a year earlier. The inventory of homes available for sale in March 2025 was approximately 4,150, up from 3,725 a year earlier but down from 4,450 in May 2020 (Cotality). During the 3-year forecast period, demand is estimated for 13,800 homes. The 2,300 homes under construction will satisfy a portion of that demand.

Rental Market



Balanced: The rental vacancy rate is estimated at 8.6 percent, up from 7.5 percent in 2020.

The apartment market is also balanced, with an 8.9-percent apartment vacancy rate as of the first quarter of 2025, up from 8.4 percent a year earlier (CoStar Group). The average rent for an apartment was \$1,180, an increase of \$32, or 3 percent, from a year earlier. During the 12 months ending March 2025, the absorption of apartments totaled 1,500 units, up from 600 units during the previous 12 months. The vacancy rate increased—even with the strong increase in absorption—because the 2,250 units delivered during the past 12 months outpaced absorption. During the 3-year forecast period, demand is estimated for 6,850 new rental units. A significant portion of that demand will be satisfied by the 5,100 units under construction.

TABLE OF CONTENTS

Economic Conditions 4

Population and Households 9

Home Sales Market 13

Rental Market 18

Terminology Definitions and Notes 21

3-Year Housing Demand Forecast			
Fayetteville HMA	Sales Units		Rental Units
	Total Demand	13,800	6,850
	Under Construction	2,300	5,100

Notes: Total demand represents the estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of April 1, 2025. The forecast period is April 1, 2025, to April 1, 2028. Source: Estimates by the analyst



Economic Conditions

Largest Sector: Professional and Business Services

From 2021 to current, the professional and business services sector added the most jobs of any sector, increasing by an average of 2,400 jobs, or 4.5 percent, annually.

Primary Local Economic Factors

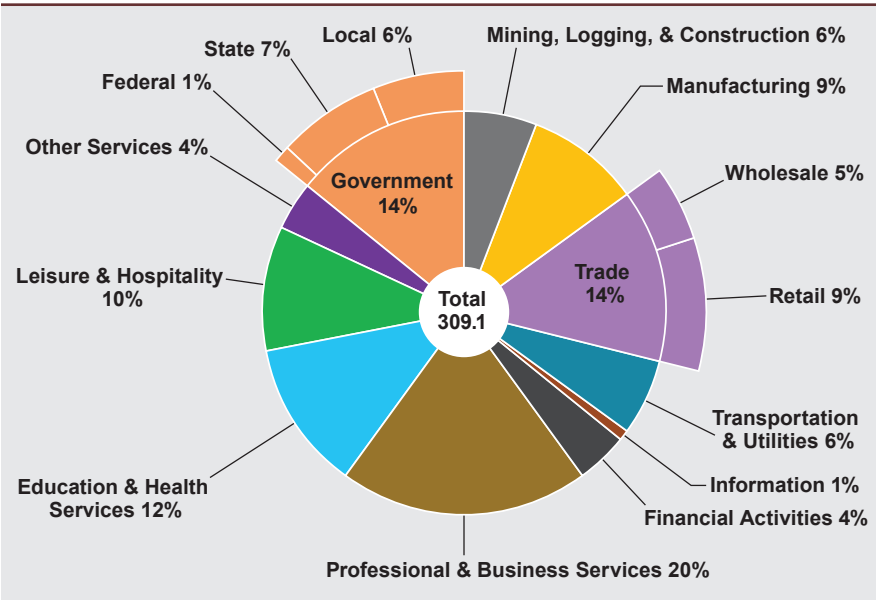
The economy of the Fayetteville HMA benefits considerably from the presence of the three largest employers—Walmart, Tyson, and UA, which account for a combined 14 percent of nonfarm payrolls in the HMA (Table 1). Walmart, the largest retailer in the world, with a global workforce of 2.13 million, employs 29,600 workers throughout the HMA; 15,000 of those employees work at the corporate headquarters in the city of Bentonville in Benton County. In addition, an estimated 1,600 Walmart suppliers maintain corporate offices locally and have a combined workforce estimated at more than 10,000 people in the HMA. Many of those firms have just a small staff to coordinate working with Walmart, but others have a larger local presence. Tyson, one of the largest food manufacturing companies in the nation, is the second largest employer in the HMA, with 7,500 workers, of which 2,000 are employed at its corporate headquarters in the city of Springdale, which straddles the border of Benton and Washington Counties. Along with their headquarters facilities, Walmart and Tyson have various support, distribution, data processing, and operations facilities throughout the HMA, with jobs distributed among numerous nonfarm sectors. With 5,400 employees at its flagship campus in the city of Fayetteville, UA is the third largest employer. UA generates an estimated \$1.4 billion in economic impact on the HMA annually (University of Arkansas). As a public university, UA contributes to jobs in the government sector. The professional and business services sector, which includes corporate headquarters, is the largest employment sector in the HMA, with 60,700 jobs, accounting for nearly 20 percent of all nonfarm payroll jobs. Figure 1 shows the share of nonfarm payroll jobs by sector in the HMA.

Table 1. Major Employers in the Fayetteville HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Walmart Inc.	Professional & Business Services	29,600
Tyson Foods, Inc.	Manufacturing	7,500
University of Arkansas	Government	5,400
J.B. Hunt Transport Services, Inc.	Transportation & Utilities	2,500+
Washington Regional Medical Center	Education & Health Services	2,500+
George's, Inc.	Manufacturing	2,500+
Simmons Foods, Inc.	Manufacturing	2,500+
Cargill, Incorporated	Manufacturing	1,000–2,499
Mercy Hospital Northwest Arkansas	Education & Health Services	1,000–2,499
Ozark Mountain Poultry/OMP Foods	Manufacturing	1,000–2,499

Note: Excludes local school districts.
Sources: Arkansas Economic Development Commission; local chambers of commerce

Figure 1. Share of Nonfarm Payroll Jobs in the Fayetteville HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding.
Based on 12-month averages through March 2025.
Source: U.S. Bureau of Labor Statistics

The HMA is located on the Springfield Plateau of the Ozark Mountains. The area attracts many visitors for outdoor recreation, including camping, hiking, fishing, and biking. The city of Bentonville, in addition to being the corporate headquarters of Walmart, also proclaims itself the mountain biking capital of the world. The HMA has more than 400 miles of bike trails, including more than 140 miles in the city of Bentonville. A 2023 study from the Sam M. Walton College of Business Center for Business and Economic Research at UA estimated that tourism related to bicycling has an annual economic impact of more than \$37 million on the Northwest Arkansas region, attracting 65,000 visitors annually.

Current Conditions—Nonfarm Payrolls

Economic conditions are strong in the HMA. During the 12 months ending March 2025, nonfarm payrolls totaled 309,100, an increase of 8,000 jobs, or 2.7 percent, from the previous 12 months (Table 2). The government sector led job growth, increasing by 1,800 jobs, or 4.3 percent, to 43,600 jobs and surpassed wholesale and retail trade to become the second largest payroll sector in the HMA. Most job gains in this sector were in the state government subsector, which added 1,400 jobs, or 7.2 percent. The job gains in this subsector were largely the result of continued expansions at the University of Arkansas for Medical Sciences. On a percentage basis, the mining, logging, and construction sector had the fastest increase, 8.4 percent, or 1,400 jobs. Ongoing construction of a new Walmart corporate campus, the largest construction project in the HMA, is nearing completion, with the first of the 22 buildings on the campus opening in 2025. With Walmart and other companies attracting workers and companies to the HMA, construction of new offices, warehouse space, and housing has been strong since at least 2011. The mining, logging, and construction sector had the largest percentage increase of any sector in the HMA since 2011, increasing by an average of 800 jobs, or 6.6 percent, annually (Figure 2).

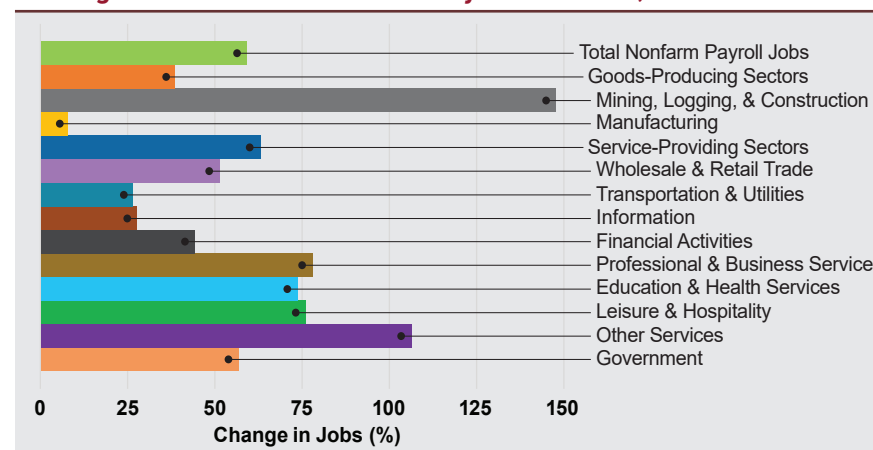
Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Fayetteville HMA, by Sector

	12 Months Ending March 2024	12 Months Ending March 2025	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	301.1	309.1	8.0	2.7
Goods-Producing Sectors	44.1	46.2	2.1	4.8
Mining, Logging, & Construction	16.7	18.1	1.4	8.4
Manufacturing	27.4	28.1	0.7	2.6
Service-Providing Sectors	256.9	263.0	6.1	2.4
Wholesale & Retail Trade	42.5	43.3	0.8	1.9
Transportation & Utilities	19.0	18.6	-0.4	-2.1
Information	2.4	2.3	-0.1	-4.2
Financial Activities	12.3	12.3	0.0	0.0
Professional & Business Services	59.0	60.7	1.7	2.9
Education & Health Services	35.7	37.4	1.7	4.8
Leisure & Hospitality	30.7	31.2	0.5	1.6
Other Services	13.5	13.6	0.1	0.7
Government	41.8	43.6	1.8	4.3

Notes: Based on 12-month averages through March 2024 and March 2025. Numbers may not add to totals due to rounding. Data are in thousands.

Source: U.S. Bureau of Labor Statistics

Figure 2. Sector Growth in the Fayetteville HMA, 2011 to Current



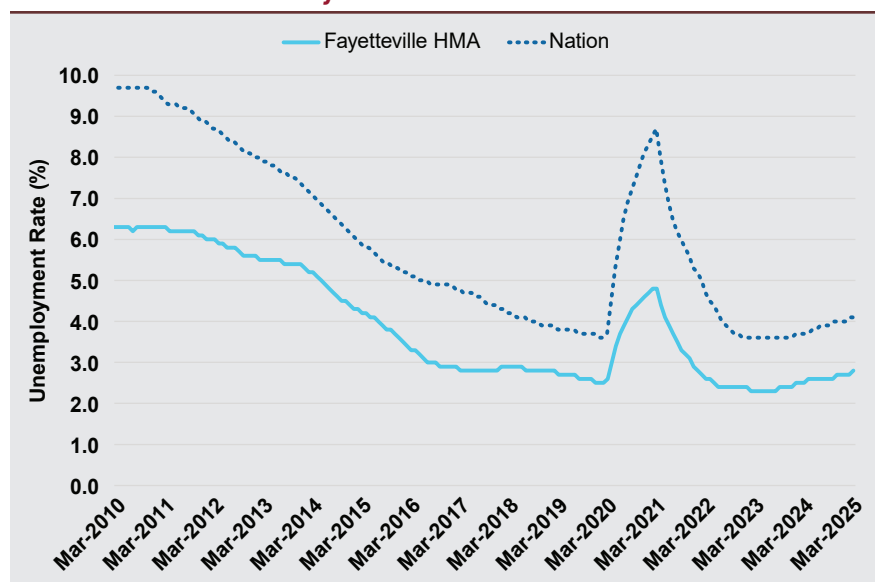
Note: Current data are based on the 12-month averages ending March 2025.

Source: U.S. Bureau of Labor Statistics

Current Conditions—Unemployment

The unemployment rate in the HMA averaged 2.8 percent during the 12 months ending March 2025, up from 2.5 percent a year earlier (Figure 3). The average annual unemployment rate has been below 3.0 percent since 2015, except during 2020, when it surged to 4.6 percent because of job losses during the COVID-19 pandemic. The unemployment rate has been much lower than the national average every year since 2010 because of strong job growth and because the major employers provide stability to the local economy.

Figure 3. 12-Month Average Unemployment Rate in the Fayetteville HMA and the Nation

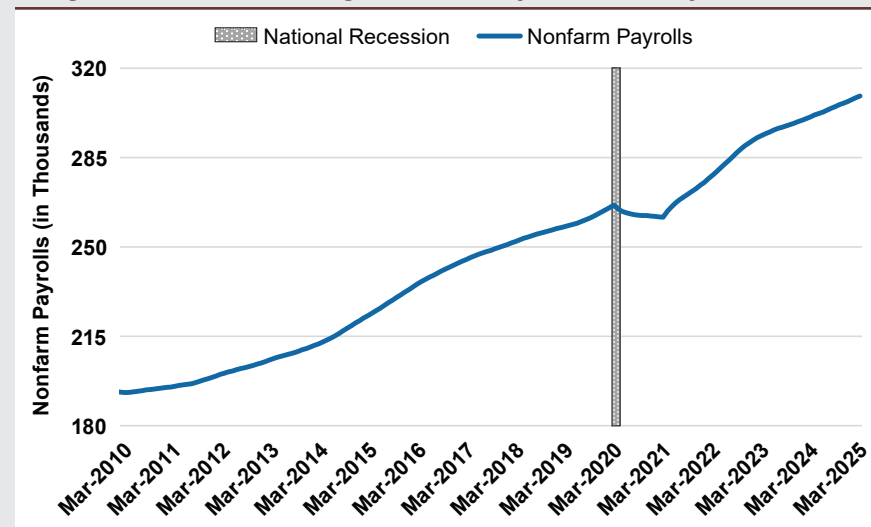


Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance 2011 Through 2013

During these years, job growth was strong because the local economy was recovering from the Great Recession of 2007 to 2009, but not all sectors fully recovered during this period. Figure 4 shows the 12-month average nonfarm payrolls in the HMA. From 2011 through 2013, nonfarm payrolls increased by an average of 5,200, or 2.6 percent, annually, with 7 of the 11 sectors adding jobs. The professional and business services sector led job growth, increasing by 2,200 jobs, or 6.1 percent, annually. Job growth in this sector was partly due to an increasing number of Walmart suppliers opening offices locally or increasing staffing at existing offices during the economic recovery. The leisure and hospitality sector increased by an average of 1,100 jobs, or 5.7 percent, annually during these years, partly because population growth and increased business travel to the HMA boosted demand for services in this sector. Even with the strong job growth during these years, only

Figure 4. 12-Month Average Nonfarm Payrolls in the Fayetteville HMA



Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

five nonfarm payroll sectors—wholesale and retail trade, professional and business services, education and health services, leisure and hospitality, and government—surpassed job levels before the Great Recession.

2014 Through 2017

These years were a period of exceptionally strong growth in the HMA, with nonfarm payrolls increasing by an average of 10,100 jobs, or 4.5 percent, annually. Job growth was led once again by the professional and business services sector, which increased by an average of 2,300 jobs, or 5.1 percent, annually as many firms expanded their presence in the HMA to facilitate conducting business with Walmart. In addition to growth related to Walmart, a new J.B. Hunt corporate headquarters opened in the city of Lowell, adding nearly 1,000 employees, and Serco Inc., a data processing company, underwent an expansion that added 1,000 jobs. In percentage terms, the fastest growing sector during this period was the other services sector, which increased an average of 13.3 percent and added 1,200 jobs annually. Subsectors within the other services sector include the repair and maintenance; the personal and laundry services; the religious, grantmaking, civic, professional, and similar organizations; and the private households subsectors. The repair and maintenance subsector includes jobs providing maintenance to cars and large trucks, electronic equipment, and commercial and industrial machinery. With J.B. Hunt expanding during these years and Walmart having the fourth largest dedicated truck fleet of any company in the nation, work for mechanics of all sorts rapidly expanded in the HMA, spurred by improving economic conditions nationally. Payrolls in the repair and maintenance industry accounted for more than 46 percent of all payroll growth in the HMA (Quarterly Census of Employment and Wages). The personal and laundry services industry accounted for 35 percent of the payroll growth in the other services sector because the influx of young professionals increased the demand for these services.

2018 and 2019

The economy in the HMA continued to expand strongly during 2018 and 2019, albeit at a slower pace compared with the previous period. Nonfarm payrolls increased by an average of 6,600 jobs, or 2.6 percent, annually. The government sector led job growth during the period, with an average annual increase of 1,300 jobs, or 3.6 percent. Nearly 70 percent of the increase occurred in the state government subsector, which increased an average of 900 jobs, or 6.7 percent, annually. Expansions at UA, including at the Pat Walker Health Center and the Windgate Art and Design District, contributed to growth in the subsector during these years. Gains were also strong in the manufacturing sector, which increased by an average of 900 jobs, or 3.5 percent, annually. Contributing to the gains, Simmons Foods, Inc.—the seventh largest employer in the HMA, with 2,600 workers—opened a new chicken processing facility in 2019, resulting in 700 new jobs.

2020

The COVID-19 pandemic led to an economic downturn in the HMA, but the rate of job losses was less severe than in the rest of the nation. During 2020, nonfarm payrolls in the HMA declined by 1,700, or 0.6 percent, significantly less than the national decline of 5.8 percent. In fact, during 2020, most of the payroll sectors in the HMA expanded, with 7 of the 11 sectors adding jobs. The financial activities and the mining, logging, and construction sectors led job growth, each increasing by 700 jobs, or 6.8 and 5.8 percent, respectively. With continued net in-migration to the HMA for high-paying jobs in the financial services sector, demand for new residential and commercial construction remained high, contributing to increasing employment of construction workers. Job losses during 2020 were heavily concentrated in the leisure and hospitality sector, which lost 3,700 jobs, or 13.8 percent, as business travel to the Walmart corporate headquarters was sharply curtailed and demand fell at many local restaurants and other entertainment venues because of social distancing.



2021 Through 2023

Job growth once again surged in the HMA from 2021 through 2023, when the local and national economy recovered from the 2020 recession. From 2021 through 2023, nonfarm payrolls increased by an average of 12,400, or 4.5 percent, annually, with 9 of the 11 nonfarm sectors adding jobs. The professional and business services sector reemerged as the leading source of job growth in the HMA, increasing by an average of 2,800 jobs,

or 5.3 percent, annually. The leisure and hospitality sector added the second most jobs during this period, partly because resumed business travel to the HMA increased the demand for services in this sector. From 2021 through 2023, the leisure and hospitality sector increased by an average of 2,500 jobs, or 9.7 percent, annually and recovered all of the jobs lost during the COVID-19 downturn.

Forecast

During the 3-year forecast period, job growth in the HMA is expected to be strong but slow from the most recent pace. Nonfarm payroll growth is expected to average 2.3 percent annually during the next 3 years, with gains in most nonfarm payroll sectors. Several recent announcements are expected to contribute to job growth. Key Tronic Corporation, a precision manufacturing company, is expanding its manufacturing facility in Springdale and will add 400 jobs when the project is complete in 2028. The Arkansas Children's Northwest

Hospital is undergoing a \$318 million expansion and will contribute to job growth in the education and health services sector when complete in 2025; the sector will also increase because of rising demand for health care due to continued population growth. Although Walmart will continue to exert an outsized influence on the HMA and contribute to job growth during the forecast period, the completion of the corporate campus will cause job growth in the mining, logging, and construction sector to slow from its recent rapid pace.



Population and Households

Current Population: 617,900

Average annual net in-migration to the HMA since 2020 is 60 percent higher than the period from 2010 to 2020 because strong job growth, relatively affordable housing, and an abundance of outdoor activities have attracted many new residents.

Population Trends

The Fayetteville HMA is the second largest MSA in the state of Arkansas, following the Little Rock-North Little Rock-Conway MSA, and it is the fastest growing. From 2020 to 2024, the Fayetteville MSA was among the 20 fastest growing metropolitan areas in the nation (U.S. Census Bureau decennial census counts; population estimates as of July 1). The current population is estimated at 617,900, an average increase of 14,250, or 2.5 percent, annually since 2020. Net in-migration has averaged 11,400 people annually and has accounted for 80 percent of all population growth. Table 3 shows population and household facts for the Fayetteville HMA.

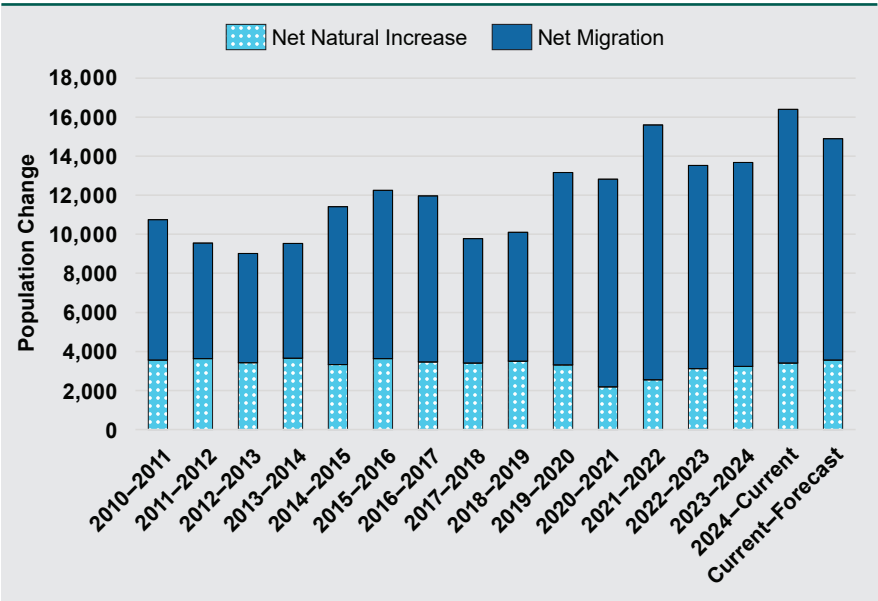
Population growth since 2020 has been faster than the period from 2010 to 2020 because of strong increases in net in-migration as more workers and students move to the HMA. Figure 5 shows the components of population change in the HMA from 2010 through the forecast period. From 2010 to 2017, population growth in the HMA averaged 10,600 people, or 2.2 percent, annually, with net in-migration averaging 7,050 people and net natural increase averaging 3,550 people annually. From 2017 to 2020, the rate of population growth slowed slightly, averaging 2.1 percent annually; however, net in-migration rose to an average of 7,400 people annually, offsetting a modest slowdown in net natural increase to 3,450 people annually. Besides job growth attracting residents to the HMA, increasing enrollment at UA has a significant impact on population growth.

Table 3. Fayetteville HMA Population and Household Quick Facts

Population Quick Facts	2020	Current	Forecast
	Population	546,725	617,900
	Average Annual Change	10,650	14,250
	Percentage Change	2.2	2.5
Household Quick Facts	2020	Current	Forecast
	Households	203,100	236,650
	Average Annual Change	3,850	6,700
	Percentage Change	2.1	3.1

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is the current date (April 1, 2025) to April 1, 2028. Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Figure 5. Components of Population Change in the Fayetteville HMA, 2010 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is the current date (April 1, 2025) to April 1, 2028. Sources: U.S. Census Bureau; current to forecast—estimates by the analyst



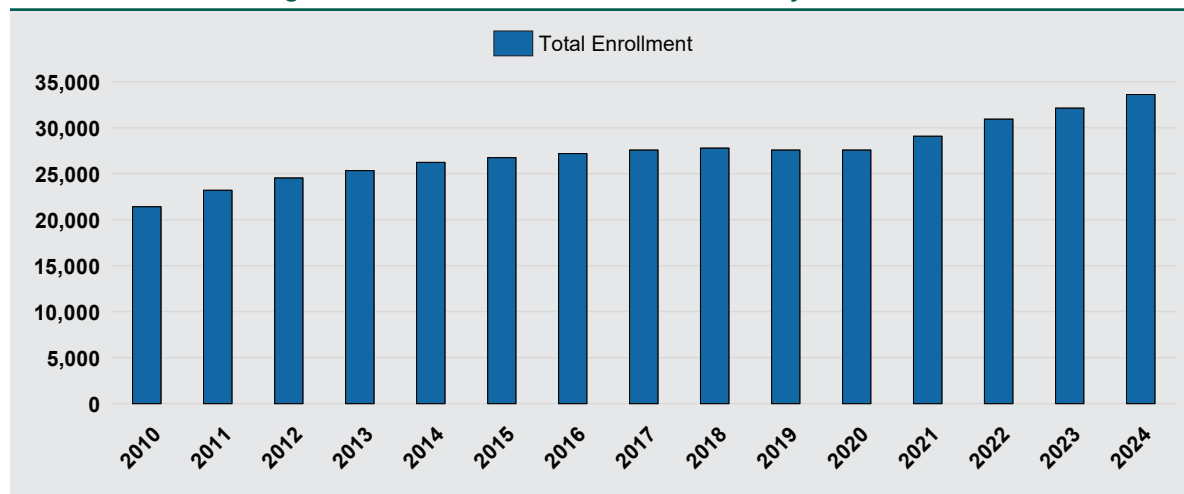
Student Population

Enrollment at the University of Arkansas totaled 33,600 during the fall of 2024 and has generally increased since 2010, when 21,400 students were enrolled. From 2011 to 2016, enrollment growth was strong, averaging 970 students, or 4.1 percent, annually. From 2016 to 2020, enrollment growth slowed significantly and averaged just 90 students, or 0.3 percent, annually because the university limited enrollment growth during these years to add or upgrade facilities to handle the increased student population. From 2020 to 2024, enrollment growth at the university has been very strong, averaging 1,500 students, or 5.1 percent, annually. Figure 6 shows enrollment at UA by year. Although enrollment growth at UA since 2011 has periodically been strong, the percentage of in-state students has been steadily declining (Figure 7). During 2010, nearly 68.0 percent of students at the university were from the state of Arkansas, but by 2024, the percentage of in-state students fell to 49.1 percent of all students. During the fall of 2024 semester, more than 52 percent of out-of-state students were from Texas, and the second highest, accounting for nearly 12 percent of all out-of-state students, were from Missouri. Of the in-state students, more than 43 percent were from the local HMA.

Age Cohort Trends

The HMA has a younger population than the nation and the state of Arkansas overall, partly because of a significant college student population and a

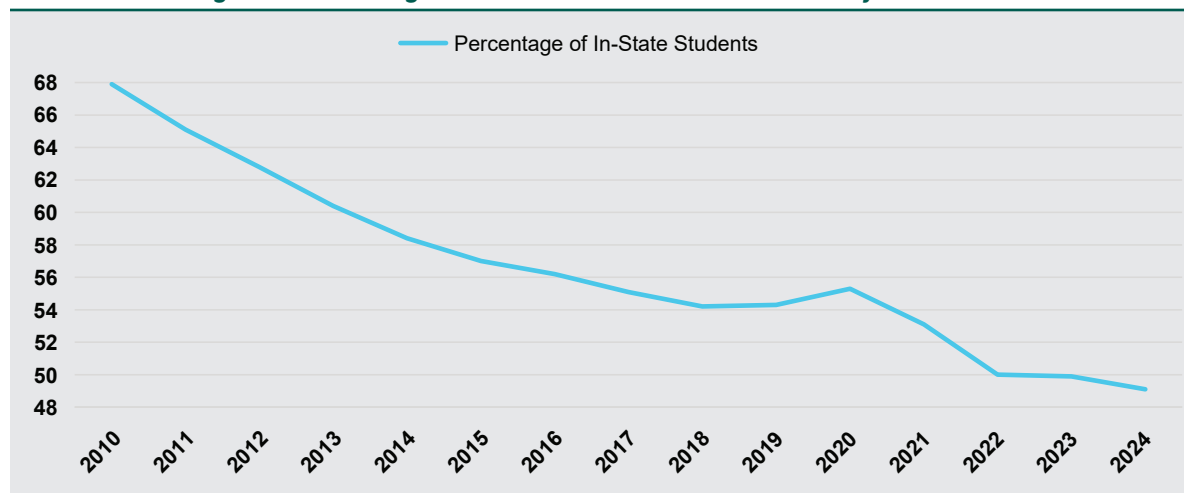
Figure 6. Student Enrollment at the University of Arkansas



Note: Fall enrollment.

Source: University of Arkansas

Figure 7. Percentage of In-State Students at the University of Arkansas



Note: Fall enrollment.

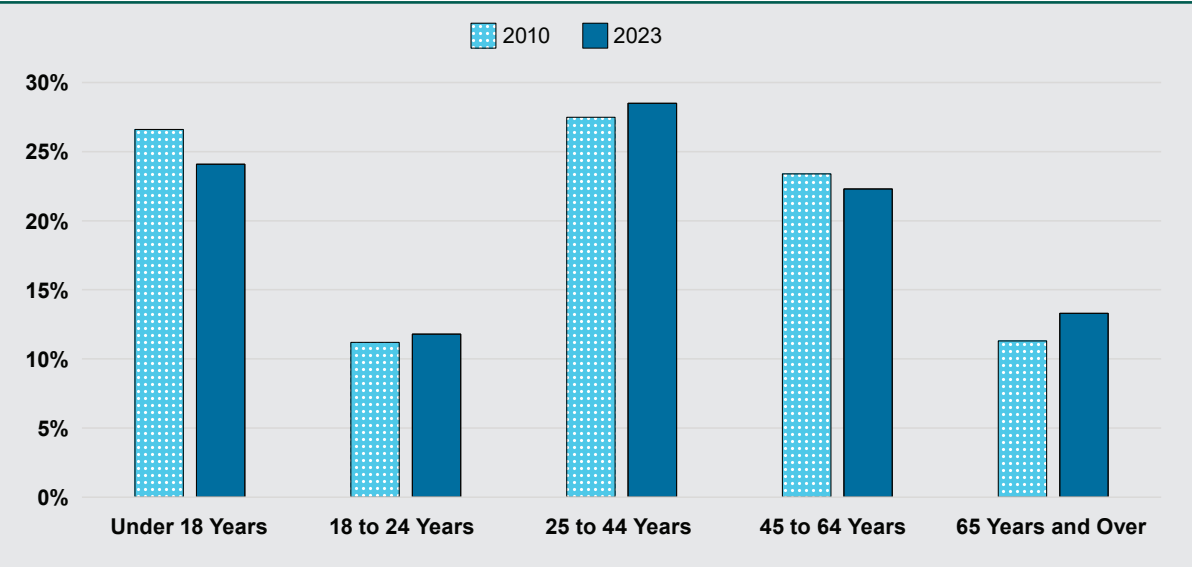
Source: University of Arkansas

growing number of young professionals seeking work and an active lifestyle. In 2023, the median age in the HMA was 34.9 years, well below the national median of 39.2 and the state median of 38.9 (2023 1-year American Community Survey [ACS] data). Many young professionals who have moved to the HMA have also started families, and the share of households with a person younger than 18 years is 33.9 percent in the HMA, well above the national average of 28.8 percent. Similar to the national trend, the share of households in the HMA with a person younger than 18 years has been declining, but it is dropping at a much slower pace, with the share down less than 2 percentage points since 2010, compared with a decrease nationally of more than 4 percentage points. The HMA is also a popular destination for retirees, and the population older than 65 years has been the fastest growing age group in the HMA, increasing from 11.3 percent of the population in 2010 to 13.3 percent in 2023 (Figure 8). Table 4 shows select population and household demographics for the HMA and the nation.

Population by Geography

Benton County is the most populous county in the HMA, with a current estimated population of 329,500, and it accounts for more than 53 percent of the total population in the HMA. Benton County has also been the fastest growing county in the HMA, increasing an average of 9,050 people, or 3.0 percent, annually since 2020. Washington County is

Figure 8. Share of Population by Age Range in the Fayetteville HMA



Source: 2010 and 2023 American Community Survey 1-year data

Table 4. Selected Population and Household Demographics

	Fayetteville HMA	Nation
Population younger than age 18	24.1%	21.7%
Population older than age 65	13.3%	17.7%
Median age	34.9	39.2
Households with one or more children under age 18	33.9%	28.8%
Households with one or more persons over age 65	23.6%	32.2%
Householders living alone	23.5%	28.8%
Population aged 25 or over with a bachelor's degree or higher	36.6%	36.2%
Population that lived in a different home a year ago	14.6%	12.1%
Population born in state of residence	45.2%	56.9%
Foreign-born population	12.1%	14.3%
Median household income	\$77,695	\$77,712

Source: 2023 American Community Survey 1-year data



the second most populous county in the HMA, with an estimated population of 270,000, and growth since 2020 has averaged 1.9 percent annually. The population of Madison County is estimated at 18,400, accounting for less than 3 percent of the total population, and growth since 2020 has averaged 2.2 percent annually.

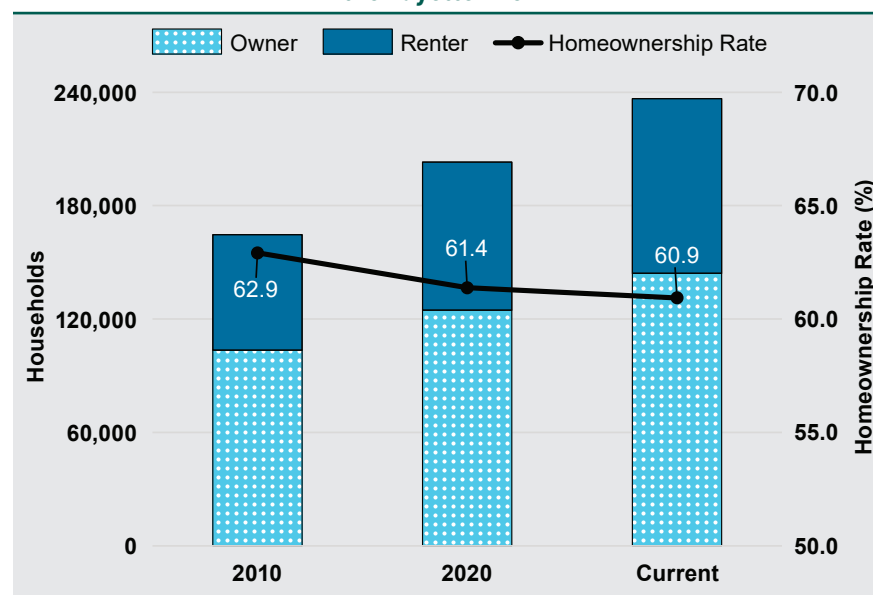
Household Trends

An estimated 236,650 households live in the HMA, reflecting an average increase of 6,700, or 3.1 percent, annually since 2020. Household growth has significantly exceeded population growth since 2020, partly because an increasing number of one-person households and fewer households with children younger than age 18 have contributed to a smaller average household size. From 2010 to 2020, household growth was similar to population growth, averaging 3,850, or 2.1 percent, annually. With increasing enrollment at UA and the influx of young working professionals, the share of renter households has been increasing, as reflected in a declining homeownership rate in the HMA since 2010 (Figure 9).

Forecast

During the 3-year forecast period, the rate of population growth is expected to moderate slightly from the previous period and average 2.4 percent annually. Net in-migration to the HMA is expected to be strong and account for nearly 80 percent of all population growth. Household growth is anticipated to be more in line with population growth during the forecast period and average 2.5 percent annually.

Figure 9. Households by Tenure and Homeownership Rate in the Fayetteville HMA



Note: The current date is April 1, 2025.

Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

Home Sales Market

Market Conditions: Balanced

New and existing home sales were up 5 percent during the past 12 months, and the average home sales price was up nearly 3 percent.

Current Conditions

The home sales market in the Fayetteville HMA is balanced, with an estimated 1.7-percent vacancy rate, unchanged from April 2020, when conditions were also balanced. The home sales vacancy rate is down significantly from 3.8 percent in April 2010, when conditions were soft after the Great Recession. The market improved partly because of increased home sales demand from net in-migration and job growth each year following the housing crisis. The home sales market has eased from the tight conditions that existed during 2021 and 2022, however, when home sales and price growth were very strong due in part to very low mortgage interest rates. As of March 2025, the HMA had a 2.6-month supply of for-sale inventory, up from 2.3 months during April 2020 but well below the 12.8 months of inventory during April 2010 (Cotality). The months of inventory reached a record low of less than 1 month of supply during January 2022. Table 5 lists home sales quick facts in the HMA.

Table 5. Home Sales Quick Facts in the Fayetteville HMA

Home Sales Quick Facts	Fayetteville HMA		Nation
	Vacancy Rate	1.7%	NA
	Months of Inventory	2.6	3.5
	Total Home Sales	12,325	4,679,000
	1-Year Change	5%	0%
	New Home Sales Price	\$391,300	\$511,500
	1-Year Change	2%	1%
	Existing Home Sales Price	\$400,300	\$481,000
	1-Year Change	3%	6%
	Mortgage Delinquency Rate	0.7%	1.1%

NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending March 2025; and months of inventory and mortgage delinquency data are as of March 2025. The current date is April 1, 2025.
Sources: Vacancy rate—estimates by the analyst; months of inventory and mortgage delinquency rate—Cotality; home sales and prices—Zonda

Existing Home Sales

During the 12 months ending March 2025, existing home sales totaled 10,000, an increase of 1,350, or nearly 16 percent, from the previous 12 months as continued net in-migration to the HMA and a small decline in mortgage interest rates in the past year helped increase demand (Zonda). Even with the recent increase, existing home sales are below the most recent peak of 13,600 homes sold during the 12 months ending March 2022. During 2010, existing home sales totaled 6,850, and from 2011 through 2014, as the local housing market recovered from the Great Recession, existing home sales steadily increased by an average of 190 sales, or 3.0 percent, annually to 7,600 sales during 2014. As the local economy began to expand more rapidly, demand for sales housing also increased. By 2017, existing home sales totaled 11,000, an average increase of 1,125, or 13 percent, annually, from 2014. During 2018 and 2019, because job growth was down from the previous period, sales growth of existing homes slowed, and by 2019, existing home sales totaled 11,300, an average increase of just 150, or 1 percent, annually. During 2020 and through 2021, despite job losses due to the COVID-19 pandemic, existing home sales continued to increase, buoyed in part by low mortgage rates. During 2021, existing home sales totaled 13,300, an increase of 1,000, or 8 percent, from a year earlier. As interest rates increased during 2022, many potential buyers were constrained by the higher homeownership costs, and existing home sales began to decline. Nevertheless, the for-sale inventory was low, partly because many homeowners were hesitant to sell if a subsequent purchase would require financing at a higher

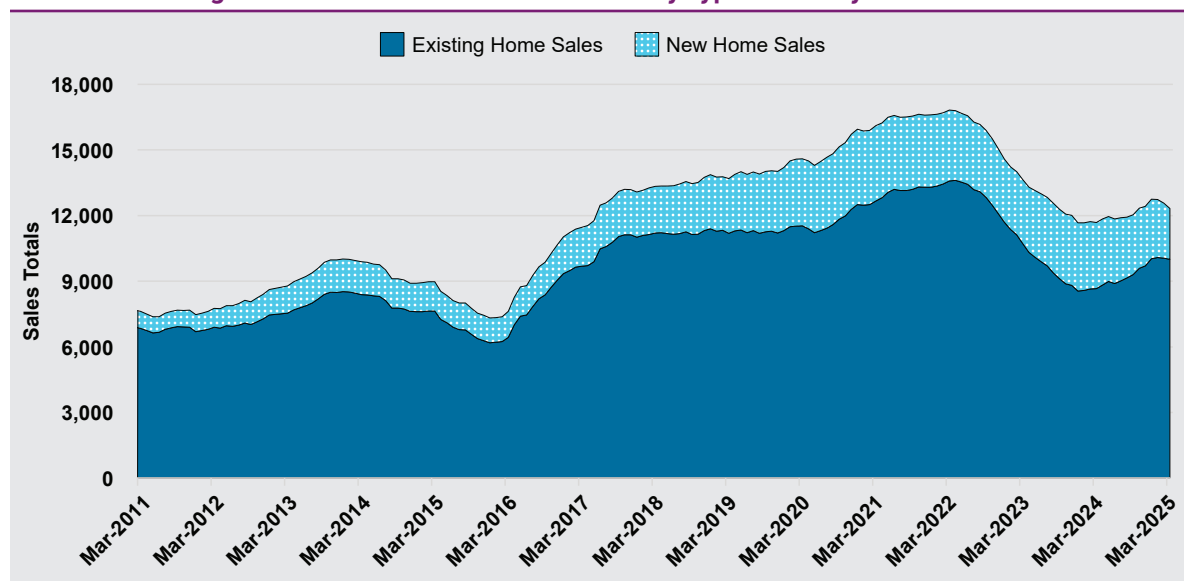


mortgage rate. By 2023, existing home sales dropped to 8,550, an average decline of 2,375, or 20 percent, annually from 2021. Figure 10 shows 12-month sales totals by type in the Fayetteville HMA.

New Home Sales

With rising prices and interest rates reducing affordability, new home sales have declined recently in the HMA. During the 12 months ending March 2025, new home sales totaled 2,325, a decline of 710, or more than 23 percent, from the previous 12 months and are at their lowest level since 2018. Although the number of new home sales has been down during the past 12 months, they are still significantly higher than in most periods before the pandemic. During 2010, new home sales totaled just 780 as the local economy recovered from the Great Recession, but as economic conditions improved, the demand for new homes increased. During 2014, new home sales totaled 1,300, an average increase of 130, or 13 percent, annually from 2010. As some of the excess supply of vacant homes resulting from the housing crisis was absorbed, the demand for new housing increased. From 2015 through 2017, new home sales increased by an average of 260, or 17 percent, annually. During 2017, 2,075 new homes were sold, the first time new home sales in the HMA had surpassed 2,000 sales since 2007, before the housing crisis. Unlike existing home sales growth, which slowed down from 2018 through 2019, new home sales kept accelerating,

Figure 10. 12-Month Home Sales Totals by Type in the Fayetteville HMA



Source: Zonda

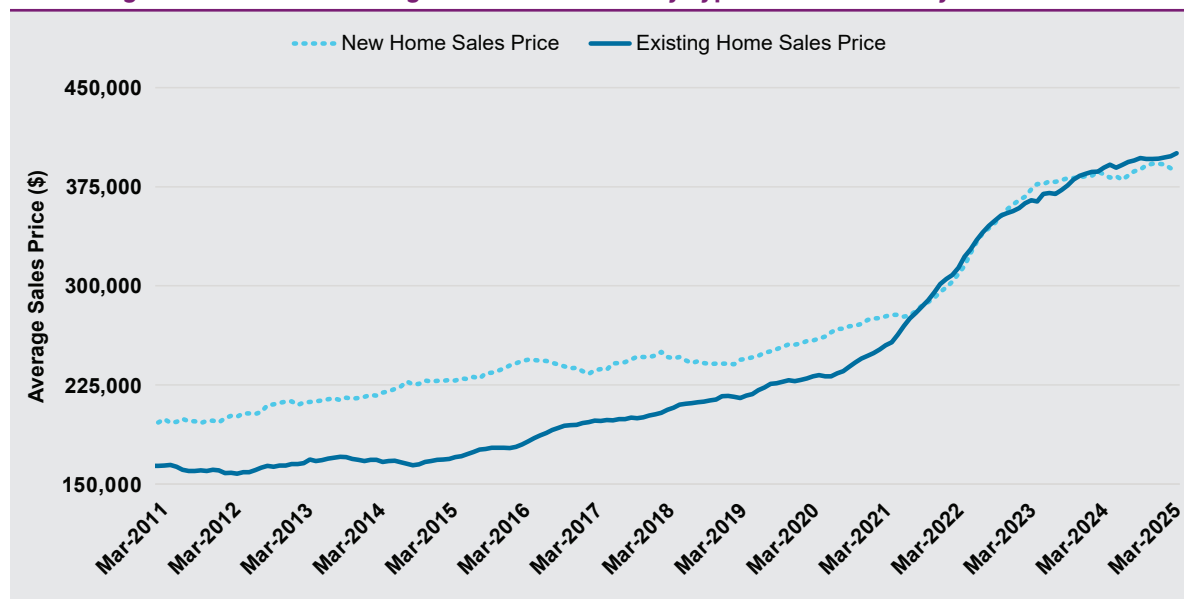
partly because the market was generally affordable to many people migrating to the HMA, allowing them to buy a new home. During 2018 and 2019, new home sales increased by an average of 410, or 18 percent, annually to nearly 2,900 in 2019. During 2020, with the rise of remote work during the pandemic and very low interest rates, many residents purchased new homes in the HMA. New home sales increased 19 percent during 2020 and reached an all-time peak of 3,450 during the year. With rising interest rates and building materials costs pushing up the price of a new home, new home sales subsequently fell. During 2021 and 2022, new home sales declined by an average of 280, or 8 percent, annually to 2,900 during 2022. During 2023, new home sales ticked up slightly as builders started to offer incentives to help offset the impact of rising interest rates. During 2023, new home sales totaled 3,100, an increase of 220, or 8 percent, from the previous year.

Existing Home Sales Prices

The average price of an existing home recently surpassed \$400,000 for the first time in the HMA, as strong job growth continued to attract new residents to the HMA, boosting demand. During the 12 months ending March 2025, the average price of an existing home increased by \$11,000, or nearly 3 percent,

to \$400,300. Although prices have reached a record level, the 3-percent price growth during the past 12 months was the lowest rate of price growth in 10 years. Figure 11 shows the 12-month average price by type of sale in the HMA. During 2010, the average price of an existing home was \$162,800, and price growth was limited during the next 4 years, despite steady population growth. The large number of vacant housing units that had to be absorbed following the housing crisis placed downward pressure on home prices. From 2011 through 2014, the average price of an existing home increased by an average of just \$1,150, or slightly less than 1 percent, annually. As the excess inventory of homes began to clear and sales increased, the average price of an existing home began to rise more rapidly. From 2015 through 2019, the average price of an existing home increased by an average of \$12,100, or 6 percent, annually. The average existing home price surpassed the pre-housing crisis peak in 2016, and by 2019, the average price was \$227,800. With the onset of the COVID-19 pandemic, the rise of remote work, increased net in-migration to the area, and very low interest rates, demand for housing in the HMA surged. From 2020 through 2022, the average price of an existing home increased by an average of \$42,900, or 16 percent, annually. By 2022, the average price of an existing home was \$356,600, more than double the average

Figure 11. 12-Month Average Home Sales Price by Type of Sale in the Fayetteville HMA



Source: Zonda

price 10 years earlier. Price growth slowed to an average of \$28,400, or 8 percent, to \$385,000 during 2023 because of rising interest rates, which weakened demand.

New Home Sales Prices

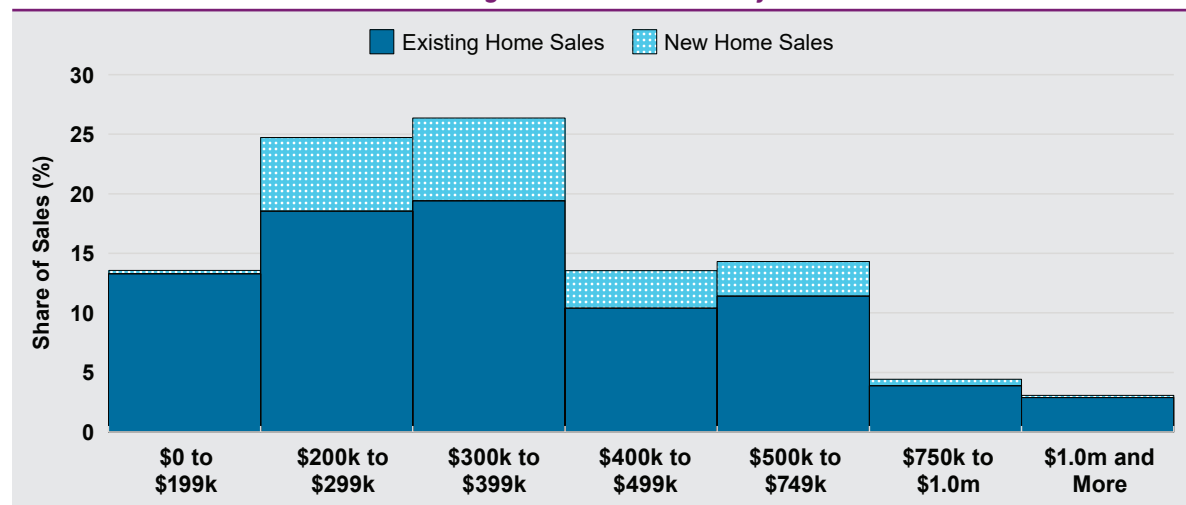
The average price of a new home in the HMA was \$391,300 during the 12 months ending March 2025, an increase of \$7,000, or slightly less than 2 percent, from the previous 12 months. The largest share of new home sales in the HMA during the past 12 months was in the \$300,000-to-\$399,999 price range (Figure 12). With declining sales and elevated interest rates recently, new home builders have been offering price incentives to help sell homes, along with building smaller homes offered at a lower price point to help maintain affordability for buyers. The average price of a new home has increased much less quickly than existing home prices, partly because much of the older housing in some of the more desirable neighborhoods near UA or downtown Bentonville commands a premium. Also, because the new home sales data do not always capture custom-built homes, they exclude some of the higher-priced new homes built in the HMA. During 2010, the average price of a new home in the HMA was \$192,000,

and by 2019, it was up to \$255,600, an average increase of \$7,050, or 3 percent, annually. During 2020, the average price of a new home increased more rapidly, but new home price growth lagged behind that of existing homes, and during 2021, the average price of an existing home briefly surpassed the average price for a new home. From 2020 through 2022, the average price of a new home increased by an average of \$35,350, or 12 percent, annually to \$361,600. During 2023, the average price of a new home increased but at a much slower rate, as rising interest rates limited the number of qualified homebuyers. During 2023, the average price of a new home was up by \$21,600, or 6 percent, to \$383,200.

Sales Construction

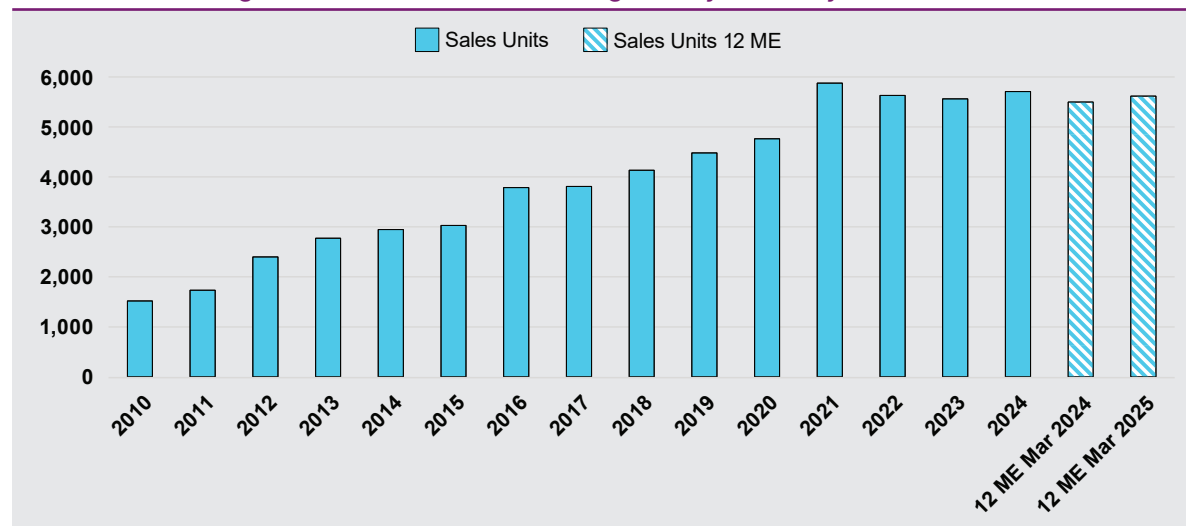
Home sales construction activity, as measured by the number of sales units authorized by building permits, is strong in the HMA, as continued population growth creates demand for new housing. During the 12 months ending March 2025, 5,650 sales units were permitted, up by 100, or nearly 2 percent, from the previous 12 months (Figure 13). Continued strong net immigration to the HMA as people move to the area for work has steadily increased the demand for housing and the number of sales units permitted to meet the demand. From 2010 through 2015, as the large excess supply of vacant homes following the Great Recession began to be absorbed, building activity ramped up significantly. During 2010, 1,525 sales units were permitted, and by

Figure 12. Share of Overall Home Sales by Price Range During the 12 Months Ending March 2025 in the Fayetteville HMA



Note: New and existing sales include single-family homes, townhomes, and condominiums.
Source: Zonda

Figure 13. Annual Sales Permitting Activity in the Fayetteville HMA



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; data since 2024—preliminary data and estimates by the analyst

2015, that number was up to 3,025, an average annual increase of 300, or 15 percent, annually. Production continued to increase but at a much slower pace, and from 2016 through 2021, construction of new sales units increased by an average of 420, or 9.0 percent, annually to a recent peak of 5,875 during 2021. With rising interest rates and home prices limiting demand in the HMA, builders pulled back on production, and the construction of new sales units declined by an average of 70, or 1.0 percent, annually from 2022 through 2023.

Recent Developments

Magnolia Landing, a development of three- to five-bedroom single-family homes in the city of Centerton, recently broke ground to accommodate the growing population, including in nearby areas such as Bentonville. This development includes 114 home lots, with prices starting at \$311,750 for a three-bedroom home. Aiden’s Place in the city of Fayetteville is a 100-home

development of three- and four-bedroom homes ranging from 1,485 to 2,087 square feet, with prices starting at \$310,000.

Forecast

During the 3-year forecast period, demand is estimated for 13,800 new homes (Table 6). The 2,300 homes under construction will satisfy a portion of the demand. Demand will be strongest in fast-growing Benton County, with much of the construction north and west of the city of Bentonville.

Table 6. Demand for New Sales Units in the Fayetteville HMA During the Forecast Period

Sales Units	
Demand	13,800 Units
Under Construction	2,300 Units

Note: The forecast period is April 1, 2025, to April 1, 2028.
Source: Estimates by the analyst



Rental Market

Market Conditions: Balanced

Apartment units that have been completed since 2020 account for more than 24 percent of all apartment units in the HMA as production keeps pace with growing demand from new renter households.

Current Conditions and Recent Trends

The rental housing market in the Fayetteville HMA is balanced, with an estimated 8.6-percent vacancy rate. The rental market vacancy rate has increased from 7.5 percent in 2020 as the number of rental units entering the market has surged recently. Even with the recent rise, the rental vacancy rate is well below the 14.0-percent rate during 2010, when conditions were soft. Approximately 44 percent of renter households in the HMA live in a single-family home, higher than the 38 percent of renter households who live in structures with five or more units, typically apartments (2023 ACS 1-year data). Professionally managed single-family homes represent a small portion of the rental market. The average rent for a single-family home in the HMA as of the first quarter of 2025 was \$1,717, down by \$17, or nearly 2 percent, from a year earlier (CoStar Group). The average rent for a single-family home in the HMA is about 45 percent higher than the average rent for an apartment unit. Table 7 highlights some quick facts for the rental and apartment markets.

Apartment market conditions are balanced, with an overall 8.9-percent vacancy rate as of the first quarter of 2025, up from 8.5 percent a year earlier (CoStar Group). Figure 14 shows apartment rents and vacancy rates in the HMA. Although the overall apartment vacancy rate reached its highest level in more than 15 years as of the first quarter of 2025, the stabilized apartment vacancy rate of 6.1 percent was still below the previous high of 7.4 percent as of the first quarter of 2010. The stabilized apartment vacancy rate was elevated as of the first quarter of 2010, a period of slow economic and household growth following the Great Recession, which contributed to units remaining vacant for longer periods. The overall apartment vacancy rate, including units in lease up, increased slightly as of the first quarter of

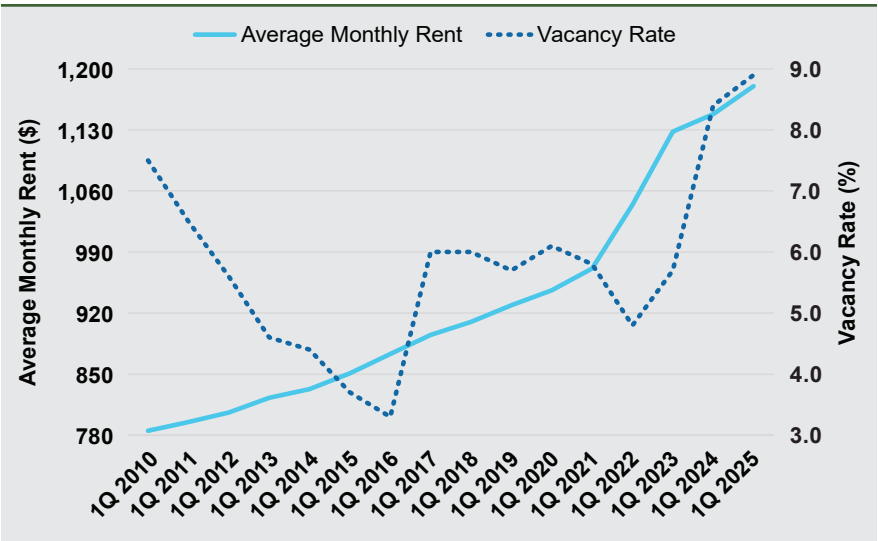
Table 7. Rental and Apartment Market Quick Facts in the Fayetteville HMA

Rental Market Quick Facts	2020 (%)	Current (%)
	Rental Vacancy Rate	7.58.6
	2021 (%)	2023 (%)
	Occupied Rental Units by Structure	
	Single-Family Attached & Detached	4344
	Multifamily (2–4 Units)	1113
	Multifamily (5+ Units)	4138
	Other (Including Mobile Homes)	55

Apartment Market Quick Facts	1Q 2025	YoY Change
	Apartment Vacancy Rate	8.9%0.4
	Average Rent	\$1,1803%
	Studio	\$1,0563%
	One-Bedroom	\$1,1157%
	Two-Bedroom	\$1,2153%
	Three-Bedroom	\$1,6531%

1Q = first quarter. YoY= year-over-year.
Notes: The current date is April 1, 2025. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2021 and 2023 American Community Survey 1-year data; apartment data—CoStar Group

Figure 14. Apartment Rents and Vacancy Rates in the Fayetteville HMA



1Q = first quarter.
Source: CoStar Group



2025 because the number of units delivered outpaced the increased level of absorption. During the 12 months ending March 2025, 2,250 apartment units were delivered in the HMA, up by 700, or 45 percent, from the previous 12 months, while absorption of apartments during the 12 months ending March 2025 totaled 1,500 units, more than double the 600 units absorbed during the previous 12 months. The overall apartment vacancy rate in the HMA is highest among three-bedroom units, with a vacancy rate of 14.4 percent as of the first quarter of 2025. One- and two-bedroom units have the lowest overall vacancy rates, at 8.7 percent each. The vacancy rates increased during the past year for every apartment bedroom type except studios, which had an 11.0-percent vacancy rate, down from 14.5 percent a year earlier.

As the apartment market was recovering from the Great Recession, some developers were still cautious about starting construction of new units in the HMA. Many of the units that were delivered before the housing market crash remained vacant, but they began to be absorbed. With steadily increasing enrollment at UA and local job growth creating demand for rental housing, the overall apartment vacancy rate steadily declined from 7.5 percent as of the first quarter of 2010 to a low of 3.3 percent as of the first quarter of 2016. Absorption from the first quarter of 2010 through the first quarter of 2016 averaged 340 units annually, but the vacancy rate declined significantly because construction was modest, averaging 210 units delivered annually during the same period. To alleviate tight market conditions, developers increased production from 2014 through 2016, and as those units began to enter the market, the apartment vacancy rate increased significantly, to 6.0 percent, as of the first quarter of 2017. During the next 3 years, production kept pace with demand, and the apartment vacancy rate was relatively unchanged through the first quarter of 2020, at 6.1 percent. During the following 2 years, with strong job growth in the HMA attracting many new residents and surging enrollment at UA, the apartment vacancy rate declined, and by the first quarter of 2022, it was down to 4.8 percent. Absorption of apartment units averaged 2,050 a year and outpaced deliveries, which

averaged 1,925 annually during 2021 and 2022. As absorption of units slowed, however, the apartment vacancy rate began to rise, and as of the first quarter of 2023, it was up to 5.7 percent. During the 12 months ending March 2023, the absorption of apartment units declined to just 1,000 units, compared with 1,500 units delivered.

Rent Growth

The average rent for an apartment in the HMA as of the first quarter of 2025 was \$1,180, up by \$32, or 3 percent, from the first quarter of 2024, when rent growth was 2 percent. The pace of rent growth in the HMA has slowed significantly during the past 24 months compared with the preceding 24 months, when rent growth averaged 8 percent annually, which was the strongest period of rent growth in the HMA in at least 15 years. As of the first quarter of 2010, the average rent for an apartment was \$785, and it steadily increased during the next decade. By the first quarter of 2020, the average apartment rent was \$946, an average increase of \$16, or 2 percent, annually. During the following 12 months, rent growth began to accelerate as surging net in-migration to the HMA increased the demand for apartment units, and the average rent increased by \$25, or 3 percent, to \$971 as of the first quarter of 2021.

Rental Construction

Construction of new rental units has surged recently to accommodate the strong population growth in the HMA. During the 12 months ending March 2025, the construction of rental units reached a new high, with 4,175 rental units permitted, up by 1,075, or more than 34 percent, from the previous 12 months. From 2010 through 2013, construction of new rental units was subdued, with an average of just 280 rental units permitted annually. During 2014, building activity increased significantly as developers responded to tightening market conditions. From 2014 through 2017, an average of 1,300 rental units were permitted annually. As the influx of new residents kept demand elevated in the HMA, developers further increased production, and from 2018 through 2022, an average of 2,450 rental units were permitted



annually. During 2023, despite rising interest rates increasing the cost of production, strong demand kept builders active, and production reached a peak of 3,475 rental units permitted, the first time that the annual production of rental units in the HMA surpassed 3,000 units. Figure 15 shows annual rental permitting activity in the Fayetteville HMA since 2010.

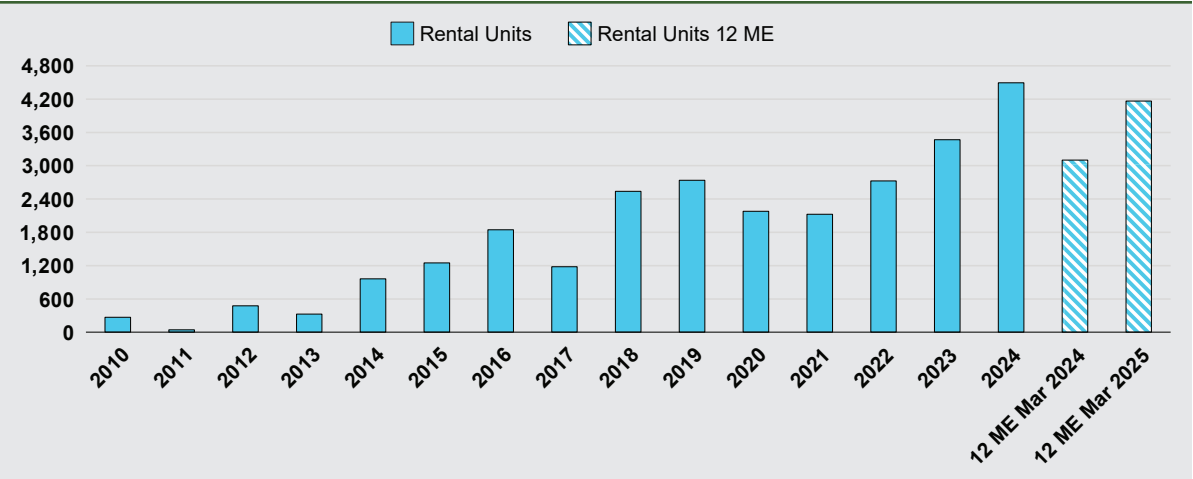
Student Housing

The University of Arkansas has a significant impact on the local housing market: nearly 5 percent of all apartment units in the HMA are apartments marketed to students (ALN Apartment Data, Inc.). As of the first quarter of 2025, the apartment vacancy rate at student apartments was 5.0 percent, up from 3.5 percent a year earlier. The average rent for student apartments was \$2,317, down \$9, or less than 1 percent, from a year earlier. During the past 10 years, student apartments have been built to accommodate increased enrollment, especially among out-of-state students at UA, and constituted more than 10 percent of all new apartment units completed in the HMA. More than 7,000 students at UA live on campus, which is approximately 21 percent of all students. Many of the remaining 26,600 students living off campus rent apartments, mostly in the city of Fayetteville.

Recent Developments

Recently completed apartment properties include 102 West Crossing, a 408-unit development in the city of Bentonville. This property includes

Figure 15. Annual Rental Permitting Activity in the Fayetteville HMA



12 ME = 12 months ending.
Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; data since 2024—preliminary data and estimates by the analyst

one- and two-bedroom units with rents ranging from \$1,299 to \$1,699 a month. In the city of Springdale, Silos on the Square opened in September of 2024 with 120 units. This property has 100 one-bedroom units that rent for \$1,199 per month and 20 two-bedroom units that rent for \$1,299 per month. An emerging trend in the HMA is single-family homes built for rent. The 157-unit Sycamore Heights Townhomes, in Washington County, opened in 2022 with two- and three-bedroom homes. The monthly rents range from \$1,383 to \$1,847.

Forecast

During the 3-year forecast period, demand is estimated for 6,850 rental units (Table 8). The 5,100 rental units under construction will satisfy a large portion of demand. Most new rental construction is anticipated to be along the Interstate 49 corridor, similar to the most recent development patterns, to allow for quick access to different employment centers in the HMA.

Table 8. Demand for New Rental Units in the Fayetteville HMA During the Forecast Period

Rental Units	
Demand	6,850 Units
Under Construction	5,100 Units

Note: The forecast period is April 1, 2025, to April 1, 2028.
Source: Estimates by the analyst



Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
Existing Home Sales	Includes regular resales and real estate owned sales.
Forecast Period	4/1/2025–4/1/2028—Estimates by the analyst.
Home Sales	Includes single-family home, townhome, and condominium sales.
Net Natural Increase	Resident births are greater than resident deaths.
Rental Vacancy Rate	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.

Stabilized	A property is stabilized once it reaches an occupancy rate of 90 percent, or at least 18 months have passed since the property was changed from “under construction” to “existing” on the CoStar Group website.
Student Apartments	Housing targeted toward college/university students, typically multi-bedroom units rented by the bedroom and leased per semester, on or near a college campus.

B. Notes on Geography

1.	The metropolitan statistical area definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated July 21, 2023.
2.	Urbanized areas are defined using the U.S. Census Bureau’s 2020 Census Urban and Rural Classification and the Urban Area Criteria.

C. Additional Notes

1.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
2.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

D. Photo/Map Credits

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