MARKET FEASIBILITY STUDY

Mixed-Use New Town Center - S. Main Street & Kimmel Road

Centerton, Arkansas 72719

Multifamily & Commercial Feasibility

Submitted to: | Prepared: July 2026 | By: ISG Delivers, LLC

EXECUTIVE SUMMARY

This study evaluates the viability and recommended scale of a mixed-use town center at S. Main Street and Kimmel Road in Centerton, Arkansas, with dedicated feasibility analysis for both principal components of the program, the multifamily residential component and the commercial (retail, restaurant, and office) component. The site sits squarely within the City of Centerton's officially designated “New Town Center” study area (~833 acres), the centerpiece of an active Downtown Master Plan led by the City in partnership with Garver and the Urban Land Institute of Northwest Arkansas (ULI NWA), which envisions 3–6 story mixed-use buildings, ground-floor retail, structured residential density, and a central town square at this location.

Centerton grew from 18,248 residents (2020 Census) to an estimated 29,041 (2026), a 59% increase in six years, driven by proximity to Bentonville and Walmart's newly completed 350-acre Home Office campus, which consolidates 15,000–20,000 corporate associates under a return-to-office mandate. Regionally, Northwest Arkansas (605,615 residents in 2024) is projected to approach 1 million by 2045–2050. Both the multifamily and commercial components of the program are independently well supported by current demand fundamentals, and the two uses are mutually reinforcing within a single walkable town center.

29,041 Centerton 2026 Pop.	**3.3%** Regional MF Vacancy	**4.5–5.5%** Bentonville MF Cap Rates	**833 ac.** New Town Center Area

INVESTMENT THESIS

Multifamily: a 240–300 unit program is supportable given 3.3% regional vacancy despite heavy construction pipeline, sub-5.5% institutional cap rates validating exit liquidity, and $184.8 million of multifamily permit activity already placed in the Bentonville/Centerton submarket over the past twelve months.

Commercial: 60,000–90,000 SF of small-shop retail, restaurant, and boutique office space is supportable given Centerton's structurally under-built retail base, strong household incomes ($115,713 median), and the traffic draw of the newly approved ~175,000 SF Walmart Supercenter anchor one block away.

Together, the two components create a self-reinforcing town center: retail benefits from rooftop density delivered on-site, and multifamily achieves a rent premium from walkable amenity access, a combination with no direct competitor in the Centerton trade area today.

1. SITE & TRADE AREA OVERVIEW

Location, access, and municipal planning context

Site Location & Access

The subject site is located at the intersection of S. Main Street and Kimmel Road in Centerton, Arkansas (Benton County), ZIP 72719, roughly 4–6 miles from downtown Bentonville, the Walmart Home Office campus, and I-49. Main Street is the city's primary north–south spine; Highway 102/Centerton Boulevard is the principal east–west arterial. Immediate surroundings include the Kimmel Ridge duplex/single-family subdivision, a top-performing Walmart Neighborhood Market, and a broad base of rapidly developing residential subdivisions.

A new Walmart Supercenter (~175,000 SF) has been approved at Main Street and Highway 102 as the designated “cornerstone” anchor for the emerging town center district, with the City requiring elevated design standards because of this site's role in setting the development precedent for the broader New Town Center.

Municipal Planning Alignment — The New Town Center

The City of Centerton has designated an approximately 833-acre “New Town Center Study Area” south of Centerton Boulevard, straddling S. Main Street — directly encompassing the subject intersection. The active Downtown Master Plan calls for a mixed-use core with retail, restaurants, entertainment, institutional uses, multi-unit residential, and a central green or town square, with buildings pulled to the front property line and structures ranging 3–6 stories. City leadership has been explicit that Centerton wants to develop a new town center area to match its growing population and is working to avoid becoming solely a bedroom community of subdivisions and strip commercial.

KEY SITE TAKEAWAY

The site sits within the City's own designated New Town Center core — regulatory and political risk is meaningfully lower here than in a typical rezoning scenario, benefiting both the multifamily and commercial components of the program.

2. DEMOGRAPHIC & ECONOMIC PROFILE

Population growth, income, and household composition

Population & Growth Trajectory

Centerton has grown from 491 residents in 1990 to an estimated 27,000–29,000 in 2025–2026, ranking among the fastest-growing cities in the nation, with 11.2% single-year growth reported for 2022–2023. Current estimates place the population at approximately 29,041 (2026), growing roughly 6.9% annually and up 59% since the 2020 Census (18,248).

Metric	Centerton	Context / Comparison
2026 Population	29,041	Up 59% since 2020 Census
Annual Growth Rate	~6.9%	Among fastest-growing U.S. cities 20K+
Median Age	32.4 yrs	Young, family-forming population
Median HH Income	$115,713	Above Bentonville ($113,764)
Per Capita Income	$68,947	Strong household purchasing power
Poverty Rate	5.5%	Well below national average
Median Home Price	$300K–$400K+	Strong, appreciating for-sale market

Regional (NWA Metro) Context

The Northwest Arkansas metro (Benton, Washington, and Madison counties) reached 605,615 residents in 2024, adding roughly 14,000 residents in a single year. Regional planners project the metro will approach or exceed 1 million residents by 2045–2050, with Benton County's population growing 8.5% between 2020 and 2023 alone. This regional growth is the demand engine behind both the multifamily and commercial components of the site-level program.

3. EMPLOYMENT & GROWTH DRIVERS

The Walmart Home Office effect and regional job base

Corporate Anchor: Walmart's New Home Office Campus

Walmart's new 350-acre corporate Home Office campus in Bentonville reached substantial completion in 2025–2026 following a multibillion-dollar, decade-long investment. The campus consolidates 15,000–20,000 corporate associates under a return-to-office mandate that required many remote employees to relocate to Northwest Arkansas, directly intensifying housing and retail demand within a short commute of the campus, which includes Centerton.

This corporate density is compounded by the broader NWA employer base, including Tyson Foods (Springdale) and J.B. Hunt Transport (Lowell), along with the dense supplier/vendor ecosystem maintaining satellite offices near Walmart's headquarters. Employment in Centerton itself grew approximately 9.7% year-over-year in the most recent reporting period.

Implications for the Program

This employment base supports a renter and shopper profile with above-average incomes and a preference for walkable, amenity rich environments, the same demand driver behind Bentonville's 8th Street Market and downtown Bentonville Square. A well-executed town center at S. Main and Kimmel is positioned to capture overflow multifamily demand from residents and workers seeking lower-cost, lower-density alternatives to the Bentonville core, while its retail component captures spending from both new residents and passing employment-driven traffic.

4. MULTIFAMILY COMPONENT FEASIBILITY

Demand, supply pipeline, rent comps, and return context

Multifamily Demand Fundamentals

Northwest Arkansas multifamily fundamentals remain tight despite an active construction pipeline. Regional vacancy sits at just 3.3%, even with over 7,300 units currently under construction and another 21,100 announced, evidence that in-migration is outpacing delivery. Renter household formation has grown roughly 2.7% year-over-year nationally, and NWA's above-average population growth suggests local formation is outpacing the national rate.

Local Supply Pipeline — Bentonville/Centerton Submarket

Permit data confirms this submarket is already attracting significant institutional multifamily investment: over the trailing twelve months, Northwest Arkansas issued 237 multifamily building permits worth $632.5 million across 27 separate complexes. Seven of those projects, valued at $184.8 million, were located specifically in the Bentonville/Centerton submarket, with the J Street project the highest-valued single permit at $68.9 million. This confirms strong developer conviction in the immediate submarket, while also underscoring the importance of differentiated positioning (i.e., a true town center rather than a stand-alone garden apartment complex) to avoid direct rent competition with this pipeline.

Submarket	12-Mo. Permit Value	Projects	Notable Project
Bentonville / Centerton	$184.8 million	7	J Street ($68.9M)
Rogers	$178.9 million	7	Garrett Pleasant Grove ($53.9M)
Fayetteville	$207.6 million	8	Verve on Duncan ($97.1M)
Springdale / Tontitown	$44.6 million	4	—
Siloam Springs	$16.6 million	1	Meadow Homes

Comparable Rents & Achievable Rates

Bentonville average rents currently run $1,124–$1,210 for one-bedroom units, $1,332–$1,345 for two-bedroom units, and $1,767–$1,804 for three-bedroom units, all with average unit sizes below 700–1,300 SF. Given a 2028–2029 delivery window, new-construction quality, and a placemaking/town-square premium over this existing stock, the following achievable rents are recommended as underwriting assumptions for the subject:

Unit Type	Bentonville Avg. (Current)	Achievable Rent (Subject, 2028–29)	Premium
Studio	$1,170 – $1,304	$1,250 – $1,400	+7% to +8%
1 Bedroom	$1,124 – $1,210	$1,350 – $1,550	+12% to +18%
2 Bedroom	$1,332 – $1,345	$1,650 – $1,900	+22% to +30%
3 Bedroom	$1,767 – $1,804	$1,950 – $2,200	+8% to +18%

Recommended Multifamily Program & Sizing

Component	Recommended Scale	Unit Sizing
Garden/podium multifamily (3–4 story)	240 – 300 units	Studio 8%, 1BR 45%, 2BR 38%, 3BR 9%
Average unit size by type	—	Studio ~500 SF, 1BR ~750 SF, 2BR ~1,050 SF, 3BR ~1,300 SF
For-sale / build-to-rent townhomes	30 – 40 units	1,500 – 1,900 SF, 2–3 BR

At the midpoint of the achievable rent ranges, a 270-unit blended multifamily program is estimated to generate approximately $5.0–$5.4 million in gross potential annual rent, before townhome/BTR revenue.

Investment & Return Context

Institutional multifamily pricing in Bentonville has compressed meaningfully over the past five to six years, moving from 6–7% cap rates prior to institutional discovery to an estimated 4.5–5.5% range implied by a recent $46 million Bentonville multifamily transaction, pricing consistent with a market that has "graduated from emerging to established regional destination" status. Nationally, Class A multifamily cap rates held at approximately 4.74% and Class B at 4.92% through early 2026, with gradual compression expected as supply pressures ease. This cap rate environment supports strong exit liquidity for a well-positioned, newly delivered asset in this submarket, though achieving Bentonville-level (rather than broader NWA-level) pricing will depend on the subject differentiating itself through placemaking and walkability rather than competing purely on unit count.

MULTIFAMILY FEASIBILITY CONCLUSION

The multifamily component is independently feasible: regional vacancy is tight, institutional capital is already active in this specific submarket at scale ($184.8M in trailing 12-month permits), and cap rates in the 4.5–5.5% range support a viable exit. The key underwriting risk is rent-level differentiation, the subject must deliver a genuine town-square/walkability premium to justify rents above the growing base of standalone garden-apartment competition already permitted nearby.

5. COMMERCIAL COMPONENT FEASIBILITY

Retail, restaurant, and office demand and rent potential

Retail Demand Fundamentals

Centerton's retail base remains structurally under-built relative to its population, city officials describe it as having no true downtown today, with only strip-commercial nodes along Centerton Boulevard. Household income levels ($115,713 median) combined with population growth well in excess of retail square footage growth point to meaningful unmet demand, particularly in restaurant, service, and small-format specialty retail categories, the categories that typically follow rooftops in fast-growth suburban submarkets ahead of national retailers.

Nearby Rent & Land Benchmarks

The nearest comparable retail center, Town Center East in Bella Vista, is anchored by a Harp's grocery store along Highway 71 (35,000+ vehicles/day) and has recently undergone renovation and expansion, evidence of healthy demand economics for grocery-anchored and small-shop retail in this broader submarket. Closer to the site, a recent 4-pad retail development at Centerton Boulevard and Greenhouse Road (32,000 vehicles/day) reported land values of $20/SF and estimated build-to-suit rents of $35–$39/SF NNN, a useful current benchmark.

Use	Achievable Rate	Basis
Small-shop retail (in-line)	$26 – $32 / SF NNN	Premium to $35–$39/SF build-to-suit comp given curated small-format bays
Restaurant pads / ground lease	$32 – $40 / SF NNN or ground lease	Reflects highest-demand category in a town square setting
Boutique / flex office	$20 – $24 / SF full service	Consistent with NWA suburban office comps

Recommended Commercial Program & Sizing

Component	Recommended Scale	Bay / Format Sizing
Small-shop retail & restaurant	60,000 – 90,000 SF	1,200 – 4,500 SF bays; 1–2 restaurant pads
Boutique / flex office	15,000 – 25,000 SF	Single or two-story, creative office/medical
Limited-service hotel (Phase 2, optional)	80 – 100 keys	Driven by Walmart vendor/supplier travel demand
Town square / central green	1.5 – 2.5 acres	Public gathering space, programmable lawn

Competitive Landscape for the Commercial Component

Project	Location	Type / Status	Relevance
New Walmart Supercenter	Main St. & Hwy 102, Centerton	~175,000 SF; approved anchor	Direct traffic generator for the town center's retail bays
Watercolors of Centerton	Centerton	Mixed-use; Best of NWA 2023	Proof of concept for placemaking-driven product locally
8th Street Market	Downtown Bentonville	Food hall / mixed-use, stabilized	Regional benchmark for walkable retail/restaurant demand
Town Center East	Bella Vista (Hwy 71)	Grocery-anchored, recently expanded	Nearest grocery-anchored comp; strong traffic counts
Centerton Blvd. Pad Sites	Centerton Blvd. & Greenhouse Rd.	4-pad development, in lease-up	Current small-shop rent/land benchmark

COMMERCIAL FEASIBILITY CONCLUSION

The commercial component is independently feasible on a modest, curated scale (60,000–90,000 SF plus boutique office): Centerton's retail base is genuinely under-built for its income and population profile, current small-shop rent benchmarks in the immediate trade area ($35–39/SF) support the proposed $26–32/SF underwriting with room for a placemaking premium on restaurant pads, and the site benefits directly from co-tenancy with the newly approved Walmart Supercenter anchor. This component should remain deliberately smaller-format and curated rather than big-box, since it is additive to, not competitive with, that anchor.

6. COMBINED PROGRAM, PHASING & AMENITIES

Integrating multifamily and commercial into a single town center

Combined Recommended Program

Component	Recommended Scale
Multifamily (garden/podium, 3–4 story)	240 – 300 units
For-sale / BTR townhomes	30 – 40 units
Small-shop retail & restaurant	60,000 – 90,000 SF
Boutique / flex office	15,000 – 25,000 SF
Limited-service hotel (optional, Phase 2)	80 – 100 keys
Town square / central green	1.5 – 2.5 acres

Phasing Recommendation

- Phase 1: Multifamily core (150–180 units) + first retail block (25,000–35,000 SF) fronting the town square, to establish critical mass and walkability quickly.
- Phase 2: Remaining multifamily units, townhomes, and balance of retail/restaurant bays, sequenced with the new Walmart Supercenter's opening to capture co-tenancy traffic.
- Phase 3 (optional): Boutique office and/or limited-service hotel, timed to Walmart Home Office-driven vendor/business travel demand.

Amenity & Placemaking Recommendations

- Central town square / green as the organizing element — directly fulfills the City's stated land use vision and is the single highest-leverage amenity for both multifamily rent premium capture and retail draw.
- Structured or shared parking behind/beside buildings, with buildings pulled to the street per the City's design intent — preserves walkability and maximizes ground-floor retail frontage value.
- Trail connectivity into the City's Master Trails Plan network — low-cost amenity with outsized appeal given the region's trail-oriented lifestyle brand.
- Small-format food hall or curated local-tenant incubator space — mirrors the proven demand driver behind Bentonville's 8th Street Market with lower capital intensity than a full grocery anchor.
- Resort-style multifamily amenities (pool, fitness, coworking lounge, pet spa) benchmarked to new-construction NWA product to justify the recommended rent premiums.
- Pedestrian-scaled lighting, on-street parking, and complete-streets cross-sections along Main Street and Kimmel Road frontages, consistent with the City's Master Street Plan.

7. CONCLUSIONS & DISCLAIMER

Investment rating and study limitations

Summary Conclusions

Both principal components of the proposed town center are independently feasible and mutually reinforcing. The multifamily component benefits from tight regional vacancy (3.3%), active institutional capital already placed in this specific submarket ($184.8 million in trailing twelve-month permits), and cap rates in the 4.5–5.5% range that support strong exit liquidity — provided the subject differentiates on walkability and placemaking rather than competing purely on unit count with the standalone garden-apartment pipeline already permitted nearby. The commercial component benefits from a structurally under-built retail base, strong household incomes, and direct co-tenancy with the newly approved Walmart Supercenter anchor, provided it remains curated and small-format rather than big-box.

The confluence of explicit municipal planning alignment through the City's New Town Center designation, sustained double-digit population growth, a top-tier corporate employment anchor, and a near-total absence of comparable walkable mixed-use product together support proceeding with master planning and entitlement work for both components at S. Main Street and Kimmel Road.

OVERALL FEASIBILITY RATING: FAVORABLE — PROCEED TO MASTER PLANNING

Both the multifamily and commercial components independently support development, and their combination as a true town center creates a differentiated position with no direct competitor in the Centerton trade area.

Disclaimer: This study is based on publicly available demographic, economic, and market data current as of July 2026, and is intended for preliminary feasibility and planning purposes only. It does not constitute an appraisal, a market study meeting Uniform Standards of Professional Appraisal Practice (USPAP), or a substitute for a full third-party feasibility study, market study, or environmental/traffic impact analysis. Site-specific factors including exact acreage, floodplain delineation, utility capacity, entitlement status, and final site plan should be independently verified. Prospective developers should engage qualified professionals — including a licensed appraiser, civil/traffic engineer, market research firm, and land use counsel — prior to any final investment or entitlement commitment.