

TOP 10 METRO AREAS IN GROWTH NEXT 25 YEARS

AREA	GROWTH
1. Las Vegas, NV	60.3%
2. Austin, TX	59.0%
3. Phoenix, AZ	55.3%
4. W. Palm, FL	54.0%
5. Orlando, FL	53.9%
6. Raleigh-Durham, SC	51.9%
7. Dallas – Ft. Worth, TX	50.7%
8. Salt Lake City, UT	50.5%
9. Sacramento, CA	50.0%
10. Charlotte, NC	49.5%

SOURCE: Brookings Institute, Jan. '05

A new study finds 580,000 housing units, 824 million square feet of commercial space and 44 million square feet of industrial space will need to be added or replaced in the five-county Austin metropolitan area between 2000 and 2030.

Calculations in the Brookings Institution study were based on a combination of factors, including population and job growth for the 50 largest U.S. metro areas. Among all metro areas, Central Texas ranked No. 1 for anticipated growth for industrial space, and No. 2 for commercial and residential.

The study was conducted by Arthur Nelson of the Virginia Polytechnic Institute and State University on behalf of the Brookings Institution, a research group based in Washington, D.C.

“I think you have to dig deeper to see what’s behind the numbers,” Nelson says.

Part of the reason for Austin’s high ranking, Nelson says, is that it’s one of the smaller metropolitan areas in the study and has room to grow. Given that the metro areas were ranked by percentage growth, Austin and the other front-runner, Las Vegas, are in a position to see great gains.

Nelson says that the Austin area boasts three components that create the “perfect triad for economic growth”:

- The presence of state government, which employs thousands of people.
- A strong educational setting with schools such as the University of Texas.
- A location in a growing state.

Columbus, Ohio, for example, also is a state capital with a major university, but it’s in a state that isn’t experiencing population growth, Nelson says.

As with other cities expected to see a substantial rise in construction, much of the projected real estate needs will be for what Nelson dubs “replacement” properties – projects that will involve rehabilitating or demolishing old structures.

At first blush, Nelson’s projections seem aggressive, says Lance Sallis, senior vice president in the Austin office of real estate company Trammell Crow Co. But when recent population projections are taken into account, Sallis says the study seems on target.

The Austin area’s population during the next 35 years will soar from about 1.2 million in 2004 to between 2.7 million and 3.5 million, according to a forecast from the Texas State Data Center at the University of Texas at San Antonio.