

Which cities are growing the fastest?

This year's top 10 list includes 3 Texas towns, with Austin's growth rate surpassing all others.

By Daniel Fisher of Forbes



Stock photo by Ben Blankenburg

"Recent data shows that 150 people are making Austin their home every day! This is growth that impacts every aspect of this city."

John McCullough
Senior Vice President, Land Development
Galesi-Austin

Austin, Texas, is the country's fastest-growing city for the second straight year.

In the early 1990s, Austin, Texas, was the quintessential see-through city, with empty office towers downtown and vacant subdivisions meandering through the surrounding limestone hills. No longer. Austin real-estate agent Kevin Elliott says buyers are snapping up houses as companies such as Apple, Progressive Insurance and Whole Foods add hundreds of jobs, and out-of-staters gladly pay up for what, to them, appear to be ridiculously cheap homes.

"My last three listings had multiple offers, and they sold for either full price or more than full price," says Elliott, of Keller Williams Realty. "They were all under contract within 48 hours."

A revived home market is just one side of the boom in Austin, which ranks first on Forbes' list of America's fastest-growing cities for the second year in a row. The Austin metropolitan area — including the northern suburb of Round Rock, home to Dell Inc. — is expected to have an economic-growth rate of 6% a year through 2016, according to Moody's Analytics. That's more than double the U.S. rate. Apple is likely to sign off soon on plans to build a \$304 million operations center that will employ as many as 3,600 people.

As usual, Texas dominates our list of the fastest-growing cities, with Dallas-Fort Worth, Houston and San Antonio all in the top 10. Seven of the top 10 cities are in the South, supporting the idea that low

taxes and inexpensive real estate are still drawing jobs and economic activity from other parts of the country.

How the list works:

To build the list, we ranked the 100 largest metropolitan statistical areas according to economic and population projections from Moody's. We then factored in median income, unemployment rates and employment growth, to differentiate between cities that are getting larger, such as Austin, and rebounding economies such as Las Vegas. This also knocked out fast-growing cities such as McAllen, Texas, whose No. 4 rank on economic growth was countered by a bottom-quartile performance on median household income.