

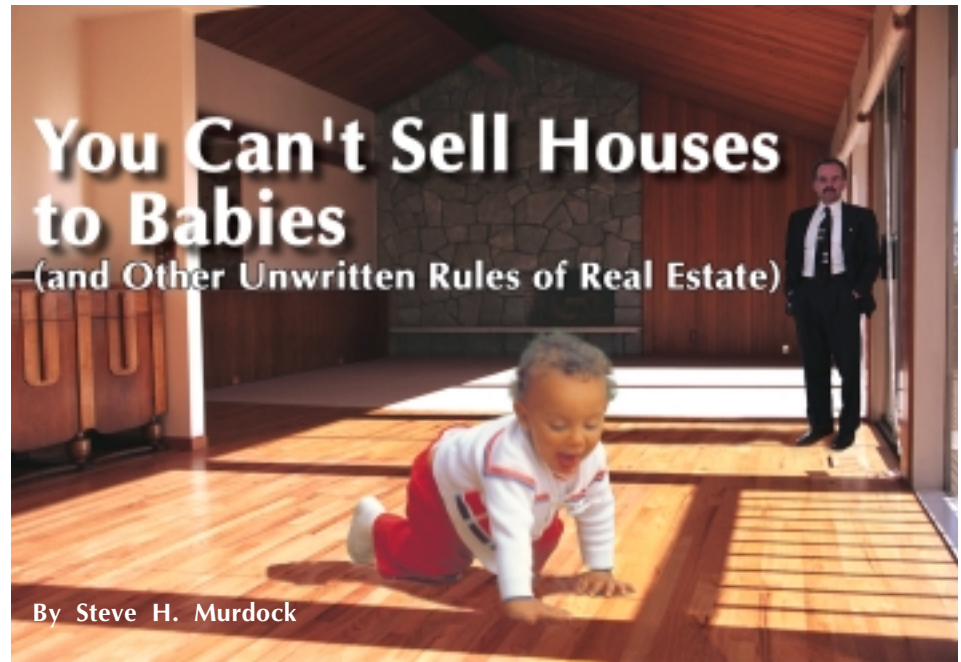
A Reprint from *Tierra Grande*, the Real Estate Center Journal

When it comes to “population growth,” not all Texas markets are treated equally. Not only are cities growing at different rates, the incoming Texans have different origins, a fact that produces varied effects on local real estate markets.

In some locales, the population is growing because more people are being born than are dying. However, this *natural increase* does not immediately increase the demand for housing because it does not involve the creation of new households.

On the other hand, population growth that results from *migration* — people moving to Texas from other states (domestic migration) and from other nations (immigration) — has a greater impact on real estate markets because the new citizens require housing as soon as they arrive.

Population growth that results from *domestic migration* has the biggest impact of all on real estate. New Texans arriving from other parts of the United States (including Texas) generally have more resources at their disposal. Therefore, higher domestic migration results in greater demand for housing and other goods and services.



More than half (58 percent) of all new Texans between 1990 and 1999 were born in the state. Another 23 percent came from other countries, and 19 percent migrated from elsewhere in the United States. The

distribution patterns of the new population had vastly varying results.

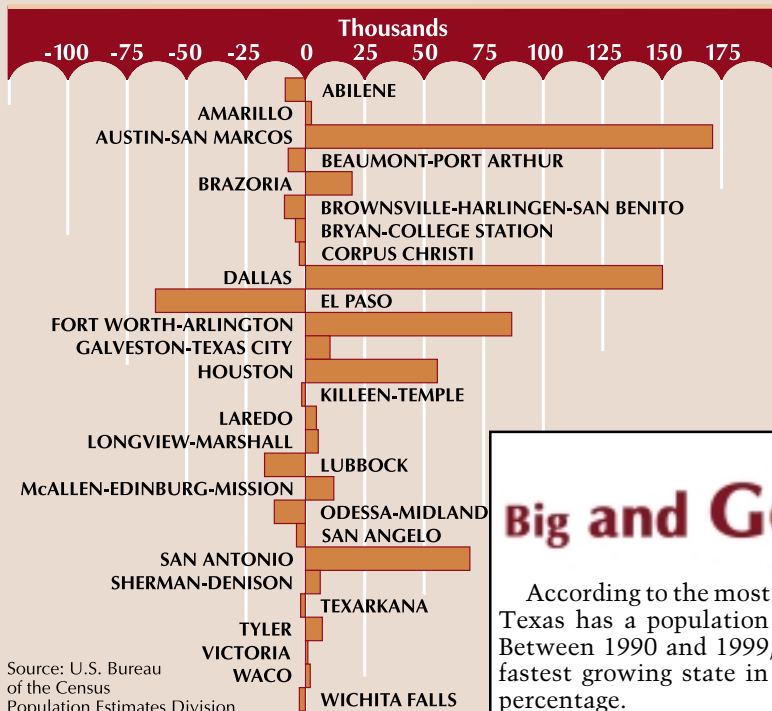
Most of the new arrivals — 66 percent — in Sherman-Denison, for example, moved there from other U.S. locales. No Texas market attracted a higher percentage, although Austin was close with more than 57 percent.

The numerical count for domestic migration, however, was greatest in the Austin-San Marcos Metropolitan Statistical Area (MSA). Some 171,000 moved there in nine years. The Dallas MSA was second with 150,000.

Some Texas metropolitan areas lost population to other areas (some of which were in Texas) of the United States between 1990 and 1999. Most notable among this group is El Paso, which lost an estimated 62,000. Lubbock lost 16,000 and Midland-Odessa 12,000 through *domestic outmigration*.

Monitoring domestic migration appears to be a useful tool for anticipating

Domestic Migration—Texas MSAs, 1990 to 1999



Source: U.S. Bureau of the Census Population Estimates Division

Big and Getting Bigger

According to the most recent estimate from the U.S. Bureau of the Census, Texas has a population of more than 20 million and is growing rapidly. Between 1990 and 1999, Texas grew by 3.1 million, making it the second fastest growing state in total numbers, and the eighth fastest growing by percentage.

More than 200 of Texas' 254 counties and all of the state's metropolitan areas posted population gains in those nine years.

For more information, go to the Texas State Data Center web site at <http://txsdc.tamu.edu> or the Census Bureau's web site at <http://www.census.gov>.

housing needs. Comparing building permits and population data shows that **areas with the most domestic migration, either in total numbers or by percentage, have added the most housing** per population unit.

Generalizations must be used cautiously, but an examination of migration

and housing market growth seems to suggest that the amount of migration, particularly the domestic variety, may be a better indicator of expanding real estate markets than simply total population growth.

Real estate analysts might be well advised to pay closer attention to the sources

of population growth, not merely the growth itself. ♣

Dr. Murdock is a research fellow with the Real Estate Center and chief demographer of the Texas State Data Center, Department of Rural Sociology, at Texas A&M University. His e-mail address is s-murdock@tamu.edu



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