

## America's Fastest-Growing Towns

In the last decade, there have been hundreds of communities in every state that have seen significant growth in new homes.

Many of them are outside the urban core and often far from established centers of employment. In a new report, *BusinessWeek* poses the question: Will the current economic slowdown put an end to these communities?

"The boomtowns of this decade are not booming so much in the last couple years," said William H. Frey, a demographer at the Brookings Institution in Washington, D.C., tells the magazine. "It's possible those places will come back again. A lot depends on where the economy grows and where the new knowledge centers are."

*BusinessWeek* worked with Gadberry Group, a business location company, to identify communities in every state that have experienced the largest growth. The results were published in a report called "[America's Biggest Boomtowns](#)."

The top 10 fastest-growing communities:

1. Summerlin South, Nev., 618 percent
2. Katy, Texas, 168 percent
3. Wentzville, Mo., 160 percent
4. Spring Hill, Tenn., 157 percent
5. South Carolina, 156 percent
6. Brighton, Colo., 153 percent
7. Wesley Chapel, Fla., 151 percent
8. Lehi, Utah, 110 percent
9. Canton, Ga., 99 percent
10. Oswego, Ill., 98 percent

**Source: *Business Week*, Prashant Gopal (02/06/2009)**

### Texas

Boomtown: Katy (See slide 44 in List)  
Household growth (2000-08): 168%  
Household income growth (2000-08): 17%  
Home value: \$150,500

Katy, a Houston suburb, has seen rapid growth this decade as the energy boom kept Houston's economy strong. Katy area households grew 168% from 2000 to 2008, to 13,405. The average income jumped 17% during that period, to \$75,914 in 2008.

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# BusinessWeek

## Boomtown Slowdown

**Since 2000, hundreds of communities across the U.S. have seen unprecedented growth in new homes and income. Will they be able to survive?**

By [Prashant Gopal](#)

Across the nation, once-quiet farming villages and industrial towns were transformed over the past decade into boomtowns. Their rapid growth was fueled by cheap land, nearby job centers, easy transportation, and a steady influx of homebuyers seeking large spaces at affordable prices.

Low interest rates and easy mortgages brought about a [real estate explosion](#) in much of the country in recent years. But in boomtowns, development powered on at a supercharged pace—sometimes sparked by a new sewer line, a new regional mall, or a new highway exit.

It was good while it lasted. But the housing crisis and the recent economic downturn have forced many of the America's fastest-growing towns to adapt to the new reality of falling home prices and rising

unemployment. And it's not clear whether the builders will return or whether the nation's next boomtowns will rise elsewhere.

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BusinessWeek.com worked with the Little Rock firm Gadberry Group to come up with the town in each state that experienced the most growth since 2000. We weighted a number of factors, including growth in households from 2000 to 2008 and from 2007 to 2008, the emergence of new neighborhoods, the average length of residence, and the change in household income.

We expected to find towns with rapid growth in California, Nevada, Arizona, Florida, and other states where the housing boom was most pronounced—and we did. In Queen Creek, Ariz., a Phoenix suburb, and Summerlin South, Nev., on the edge of Las Vegas, the number of households increased 600% from 2000 to 2008—more than any of the other towns in the ranking. We also found some remarkable areas of growth in Indiana, Illinois, South Carolina, Minnesota, and Idaho. "Boomtown" is a relative term, however, in New York, Rhode Island, New Hampshire, Pennsylvania, and other states where the population has been flat or falling. The number of households in working-class Allentown, Pa., for example, grew just 4% since 2000.

While it's impossible to know how these towns will do during the recession, they boomed for a reason. People chose to live in these places because they were well connected or, like the Charlotte suburb of Indian Trail, N.C., or Wesley Chapel, Fla., in the Tampa Bay metro area, were located in a beautiful part of the world. People flooded into Oswego, Ill., about 50 minutes by train to Chicago, because of its convenient location, good schools, and the beauty of its setting along the Fox River. That isn't likely to change. And Hoboken, N.J., located across the Hudson River from New York City and filled with young professionals who worked at Citibank ([C](#)), Morgan Stanley ([MS](#)), and other now-struggling Manhattan financial firms, is entering an economic slowdown. But Hoboken's easy access to the city by train, bus, and ferry will always remain appealing.

"As a demographer, I find it interesting to know where the growth is happening," said Gadberry Group principal Larry Martin, whose data help retailers identify store locations. "Things are happening that are attracting new households. It could be a new industry, or the fact that school districts are recognized for doing tremendous work."

## **A Municipal Transformation**

An explosion of development began in Queen Creek, a rural hamlet about 30 miles outside Phoenix, after the town installed its first sewer line in 1999. The population swelled from about 3,200 people in 1996 to 25,000 people today, said town manager John Kross, adding that the town's growth-management plan actually kept growth from really getting out of hand.

New residents, looking for affordable homes with land, mostly came from more expensive urban areas in Arizona, he said. And with the new houses came new shops and offices. About a million square feet of retail space opened in downtown Queen Creek this spring, Kross said. The town accommodated the growing population with new parks and trail systems, widened roads, and a new municipal building.

But like other Arizona markets, Queen Creek home prices began tumbling a couple years ago. Last year just 180 building permits were issued, compared with about 1,200 a year during the peak of the boom.

"It has been quite a ride," Kross said. "Within 10 years' time, we transformed into a full-service municipality."

When the construction boom crashed a few years ago in the farming town of Elk Grove, Calif., south of Sacramento, it caught retail developers off guard. The launch of the 1.1 million-square-foot Elk Grove Promenade open-air shopping mall, originally set for 2008, has been pushed off until the end of next year even though the project is nearly complete. Not only is the developer struggling financially, but the mall is located on the edge of a rural expanse where Elk Grove was expected to develop.

"When everything was booming, the builders said, 'We're going to get ahead of the game,'" said Garrick Brown, director of research for Colliers International in the Sacramento regional office. "Usually retailers follow rooftops. In this case, they followed building permits."

- [Click here](#) to see America's Biggest Boomtowns.
- [View Slide Show](#)

[Gopal](#) writes about real estate for BusinessWeek in New York.

### Communities with the Biggest Growth by State

These are the towns in each state that grew the fastest during the housing boom. But now that the boom is over, will they continue to grow or go bust? Editor's Note: The boomtowns were limited to places with more than 10,000 households and were ranked based on growth in households from 2000 to 2009 and from 2007 to 2008, growth in new neighborhoods from 2000 to 2008, the average length of residence, and the change in the average household income from 2000 to 2008. The data came from the Gadberry Group, except for home values, which came from Zillow.com. The variables were weighted and the 2000-08 household growth was given the most weight. The boomtowns are places, as defined by the 2000 Census block group boundaries associated with census-designated place. The ranking was created specifically for BusinessWeek by the *Gadberry Group*, a Little Rock-based location intelligence firm. The



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