

COSTAR INSIGHT

Think Austin, Texas, Is Growing Fast? Check Out These Midsize Cities.

Myrtle Beach, South Carolina, and Other Markets Draw Residents From Larger Metropolitan Areas



The Texas capital leads Sun Belt cities in population growth. (Lars Fraser/CoStar)

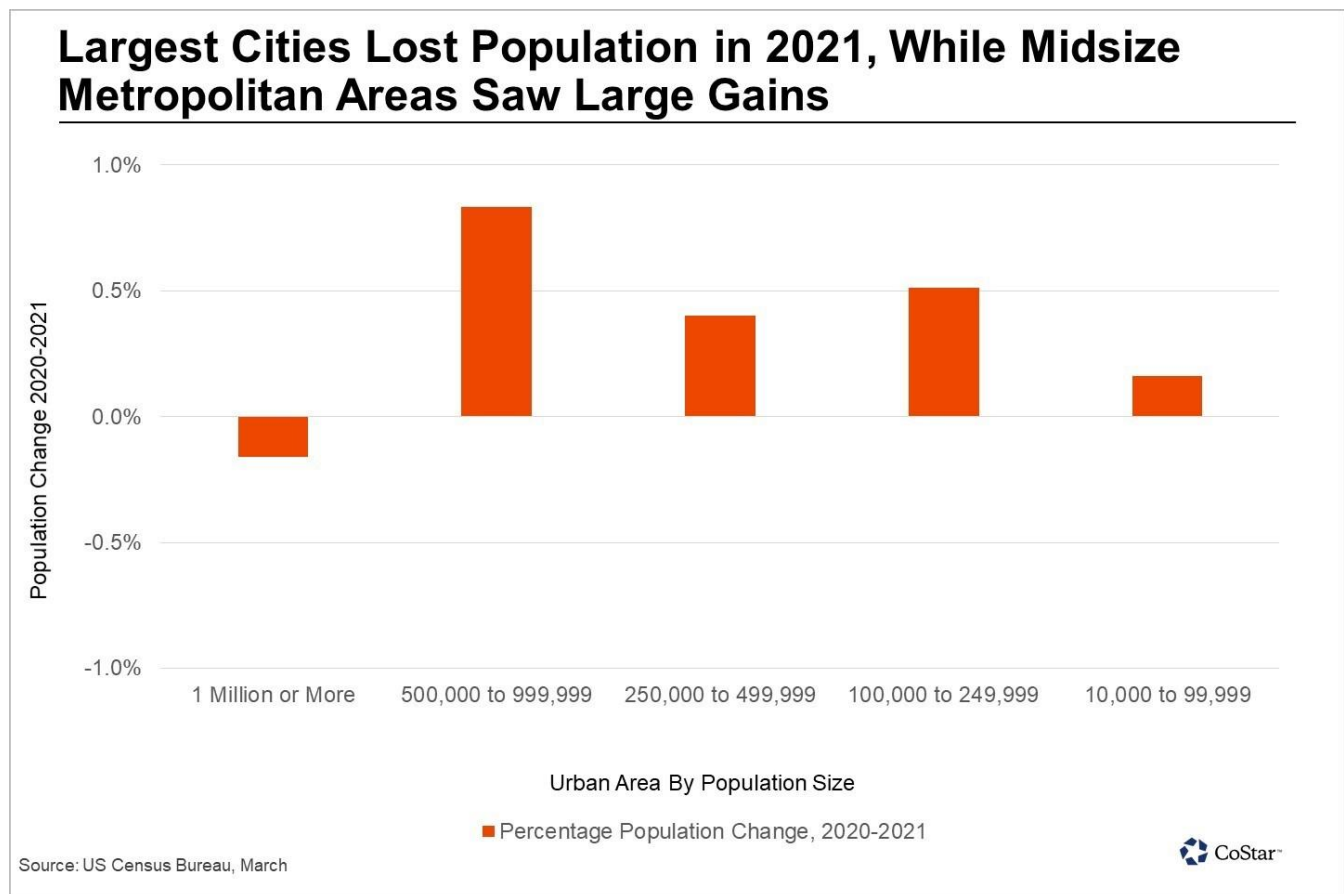
By Chuck McShane and David Kahn
CoStar Analytics

April 1, 2022 | 4:19 P.M.

U.S. population growth slowed to an all-time low of 0.1% in 2021, according to the most recent estimates from the Census Bureau. But these population trends were [not uniform across the country](#), with large Sun Belt cities — led by Austin, Texas, and and Raleigh,

North Carolina — gaining residents at the expense of Western, Northeastern and Midwestern metropolitan areas.

Dig even deeper, and a clear shift in population growth trends appears: Midsize markets, those with populations of more than 500,000 but less than 1 million, grew the fastest between July 2020 and July 2021, adding nearly 340,000 people for an increase of 0.83%. Meanwhile, the largest U.S. cities, those with a population of more than 1 million, lost nearly 300,000 people, a 0.15% decline.



Almost all growth in the midsize markets came from domestic migration, or people moving from one part of the country to another, rather than from international migration or the net of births and deaths. The shift highlights an acceleration of Americans' search for less expensive housing and outdoor amenities and speaks to the growing trend of remote work brought on by the pandemic.

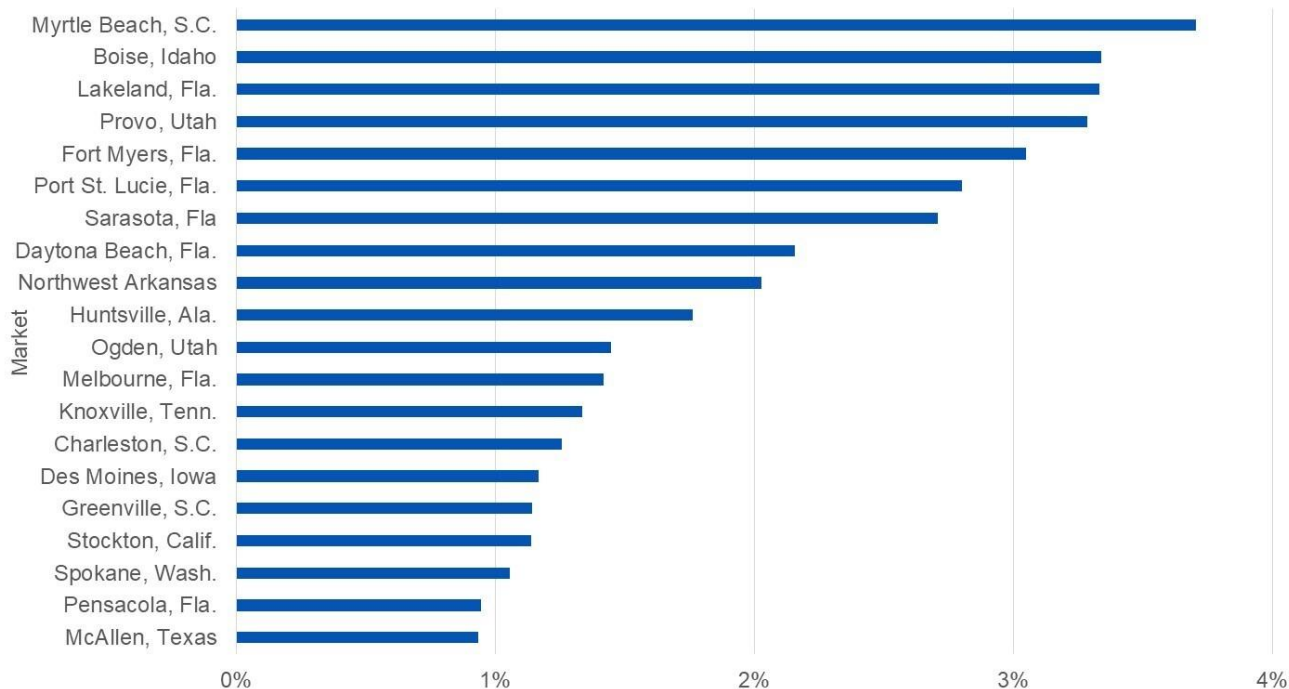
The fastest growing midsize markets were largely amenity-rich coastal, mountain or university towns. Myrtle Beach, South Carolina, has emerged in recent years as a

retirement destination. The city posted a 60% jump in domestic migration compared to the annual average through the 2010s, powering the market to the fastest growth among midsize areas at 3.7%.

Several midsize coastal markets in Florida mirrored Myrtle Beach's trend of large increases in domestic migration. These include Fort Myers, Port St. Lucie, Sarasota and Daytona Beach. Lakeland, an inland market between Tampa and Orlando, also saw a similar pattern of attracting retirees, remote workers from nearby larger cities with more expensive housing and blue-collar workers seeking jobs in the region's booming logistics sector. Strong net migration is driving unprecedented rent growth in all of these Florida cities, with [Orlando and Tampa leading major markets](#) for year-over-year rent gains and [Fort Myers, Sarasota and Lakeland outperforming virtually all other midsize metropolitan regions](#).

Midsize Mountain West markets showed a more balanced growth pattern. Boise, Idaho, ranked as the No. 2 fastest growing midsize market with a 3.3% year-over-year population increase. Boise saw a whopping 125% increase in domestic migration compared to its 10-year average but also maintained positive natural increase — the difference between births and deaths during the year — indicating that the market continues to attract working-age population. And companies are moving to the area as well.

Fastest Growing Midsize Cities in South, Mountain West



Source: U.S. Census Bureau, March

Note: Markets with total population 500,000 to 999,999.

Percentage Population Growth, 2020-2021



“Boise has solidified itself as a relocation hot spot,” said John Gillem, CoStar’s director of market analytics for Oregon and Idaho. “A strong labor market, already anchored by Boise State University and government-related jobs via the capital city, is beginning to diversify by way of tech sector growth.”

Boise-based Clearwater Analytics, a provider of investment management software, recently went public after raising \$500 million. Payroll software provider Paylocity moved into a [new office](#) in the western suburb of Meridian. Chipmaker Micron Technology also maintains a manufacturing facility in Boise. Facebook parent company Meta recently announced [an \\$800 million investment in a new data center](#) in nearby Kuna.

Another Mountain West market, Provo, Utah, was the No. 4 fastest growing midsize market in the country. Provo, which is home to Brigham Young University, grew by 3.3%, boosted by a whopping 327% increase in domestic migration as well as continued positive natural increase. Provo is also home to tech companies including Qualtrics,

which maintains [co-headquarters in Provo](#) and Seattle, and Ancestry.com is in nearby Lehi.

In the South, Northwest Arkansas ranked ninth and Huntsville, Alabama, 10th for population growth. Both markets include flagship universities, and Northwest Arkansas, which includes Fayetteville and Bentonville, is also home to Walmart's headquarters.

Huntsville has far outperformed the national average for population growth over the past decade, buoyed by job growth at the U.S. Army's Redstone Arsenal post. Most recently, Toyota and Mazda opened a \$2.3 billion manufacturing plant in late 2021, with that facility expected to support more than 4,000 jobs with average annual salaries of \$50,000 when fully staffed.



RELATED RESULTS

Rents Surge in These Often-Overlooked Southeastern Cities

Here's Why Apartment Rents in the Sun Belt Are Rising So Fast

As the Sun Belt Booms, So Do Apartment Rents

Raleigh's Suburbs See Rapid Multifamily Expansion

Durham's Employment Recovery Is in Full Swing

Raleigh Employment Surpasses Pre-Pandemic Levels

Durham Set To Finish 2021 on a High Note

Apartment Demand Reaches New Heights in Raleigh

Durham's Economic Recovery Bolstered by Technology Sector

Professional and Business Services Jobs Fuel Raleigh's Employment Recovery
