

Families again flocking to Central Texas

More people moving here, but most are from elsewhere in Texas rather than California.

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Strong job growth, relatively affordable housing and a reputation for a good quality of life are bringing people to Central Texas from all over the United States in increasing numbers.

Despite their high profile these days, it's not the Californians who are overrunning the place. It's the Texans.

Many more people moved here from Houston and San Antonio than from Los Angeles or San Jose in 2005, according to an analysis of Internal Revenue Service filings for the most recent year available. **Nearly 70 percent of the households moved here from elsewhere in Texas**, and the No. 1 source of migration to Hays, Travis and Williamson counties was a county next door.

But the number of Californians who moved into Hays, Travis and Williamson counties in 2005 did jump 32 percent from the previous year, and real estate agents helping many of the transplants buy homes here said the numbers did not decline in 2006.

Travis County had a net gain of 2,847 households from elsewhere in the United States in 2005, almost five times the net gain in 2004.

In Hays County, the number doubled in 2005, to 1,142 households, according to an analysis of IRS filings for the most recent years available. Williamson County had a net gain of 4,090 households, up 14 percent from 2004.

The gains were less than each county experienced in 2000 and 2001, but that's not surprising, said Brian Kelsey of the regional planning group Capital Area Council of Governments, because growth rates tend to slow as once up-and-coming cities such as Austin become more established.

Growth in Central Texas also was slowed by the severe economic downturn after the 2001 tech bust and Sept. 11 terrorist attacks. Tens of thousands of jobs were lost, and domestic migration into the area slowed significantly as the number of people moving away increased.

There are a number of reasons why more people are moving to Central Texas than at any other time since the tech bust, said Daniel Kah, director of research for Austin-based Angelou Economics.

"I would agree that the economy plays a pretty big role in it, but at the same time, it's probably not 100 percent of the equation," Kah said.

"Austin's quality of life, affordability on the national scale, location in a relatively moderate climate, the environment — all of those types of things we all like about Austin — make it very appealing to a wide number of people (including) folks looking for jobs and people looking to move their businesses or retire somewhere."

Short and long moves

Most transplants to Hays, Travis and Williamson counties just moved from the county next door.

More people moved into Williamson County from Travis County than from any other place, and vice versa. And Travis County supplied the largest number of new Hays County residents.

Central Texas also was a popular destination for people moving from Dallas, Houston and San Antonio.

Mark Hood says he shut down the hedge fund he managed in Dallas and moved to Austin with his wife and daughter in 2006 in search of a slower-paced life in a city his family had often visited for fun.

"I think most people move for job reasons, but we moved for love," Hood said.

Now a private investor and business consultant, Hood said he doesn't miss anything about Dallas except his friends.

"We sold our \$70,000 SUV and bought a Prius," Hood said. "One of the funniest responses that we got was from a girlfriend of my wife who said, 'I didn't realize you'd be converted so quickly.'"

Far fewer people moved here from California than from elsewhere in Texas, but their numbers are rising.

The number of people moving to Hays County from California more than doubled from 2004 to 2005; the number moving into Williamson County increased 60 percent. Travis County experienced a 22 percent jump.

Stephanie and John Landers moved from the Laguna Beach area of California to Austin with their two young sons in February 2005, leaving behind a bluff-top home overlooking the Pacific Ocean.

They said they considered Atlanta, the Raleigh-Durham area of North Carolina, and Austin, eventually settling on Central Texas in part because of its schools and friendly, positive vibe.

They said Austin's growth rate and spending habits seemed a good match for the flooring business they wanted to open. The couple bought a home in Steiner Ranch in western Travis County and opened Landers Premier Flooring on Burnet Road near U.S. 183.

Stephanie Landers said Lance Armstrong, the University of Texas' 2006 national football championship, and the SXSW and Austin City Limits music festivals have raised Austin's profile for many Californians, while its relatively affordable real estate market has made it an attractive place to relocate for California homeowners looking to cash out.

"Everybody made a lot of money on real estate out there, but it's kind of like golden handcuffs," Stephanie Landers said. "If you don't leave the state, you can't move anywhere else."

The tremendous amount of money from real estate gains coming out of California helps explain why this relatively small group is often blamed or credited for rising housing prices in Central Texas, even though the majority of California transplants have median incomes no higher than those in the areas into which they are moving.

John Rosshirt of Stanberry & Associates real estate agency said California buyers are accustomed to much higher home prices and generally are prepared to pay more than buyers from Texas.

This has a ripple effect on the market, Rosshirt said, because buyers who lose out on one house to a California buyer with a higher bid often are willing to pay more the next time.

Not all Californians moving here are cash-rich from recent home sales.

Steve Nelson and fiancé Korilyn Colburn rented in the San Francisco Bay Area before moving here in July 2005.

The couple said they wanted a change and had considered Boulder, Colo., and Tucson, Ariz., before settling on Austin because of its job opportunities, low crime rates, well-educated population and friendliness.

The couple, who have no children, moved with just enough money to survive for three months without work. Both have found jobs, he as a conference service manager at Barton Creek Resort & Spa, and she as a marketing consultant.

Now they are homeowners in South Austin near Slaughter Lane, Nelson said, and their new life has met their expectations.

"I feel like we've been welcomed with open arms by our neighbors, and my colleagues professionally have been very welcoming and supportive in my transition," he said. "We're just jazzed about how you can take a little bit of that Southern hospitality and Texas pride, and wrap it up with a little bit of chic and trendy and culture, and mix it all together. It's a good place to be."

Relative importance

So, how important are these new residents to Central Texas?

In terms of overall population growth, they aren't as important as newcomers used to be.

In the 1990s when the Austin metro area was smaller, people moving here from elsewhere in the country including Texas accounted for 65 percent of the area's population growth, said Steve Murdock, state demographer of Texas.

Natural increase — the number of people who were born minus the number who died — accounted for 28 percent of growth; international immigration added 8 percent.

But as Central Texas' population grew from about 846,230 in 1990 to about 1.5 million in 2005, the natural increase and international immigration became bigger contributors to the area's overall growth.

In the first five years of this decade, natural increase accounted for 41 percent of the 202,766 additional people in Central Texas; international immigration contributed 23 percent. Domestic migration added 36 percent.

That change is one reason the Austin area continued to grow even as it shed tens of thousands of jobs after the tech bust.

"We've typically seen our population grow in recent years at about twice the rate of job growth roughly speaking," Kah said.

Strong natural growth is good news for Central Texas.

"The natural population growth is very important because it points to sustainability without having to rely on relocating individuals, and it points to a young population, which is very important," Kah said.

But attracting residents from other U.S. cities is also vital to the region's economy, Murdock said, because they tend to have higher incomes and education levels than international immigrants and people born here.

"Domestic migrants tend to be kind of the cream of the crop," Murdock said.

NOTE: Net household gains from immigration are based on an analysis of the latest available Internal Revenue Service tax data by the Capital Area Council of Governments. The information includes only households that filed tax returns in 2004 and 2005, and does not include the number of people per household. Many international immigrants do not file tax returns.

Courtesy of JB Goodwin