

Deseret News

St. George metro area growth ranks 2nd in U.S.

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Deseret Morning News

Published: March 27, 2008

ST. GEORGE — Former St. George city councilman Larry Gardner remembers when the first stoplight at Main and the Boulevard went up, putting the proverbial brakes on the teenage ritual of cruising the main drag with friends.

"Back then we would call it 'dragging Main,' even though we were really dragging the Boulevard," says Gardner of the 1960s, when St. George was small enough for everyone to know everyone else.

Times have changed. The booming St. George metropolitan area is the nation's second-fastest-growing, according to a census report released today.

Still, the estimated 5.1 percent growth St. George saw from July 1, 2006, to July 1, 2007, is a slowdown. In the previous year the metro area, which encompasses St. George and Washington County, saw a 6-percent rise in population and was the nation's fastest-growing. This year, St. George was surpassed by Palm Coast, Fla., which grew by 7.2 percent.

The census estimates released today are for metropolitan areas that comprise one or more counties with a core urban area of at least 50,000 people. Estimates were also released for micropolitan areas with cores of 10,000 to 49,999.

Nationwide, the estimates show a temporary slowdown of a long-term migration pattern from the Northeast and Midwest to the South and West. It's a result of the housing bubble crash and slowing economy impacting people's mobility, said William Frey, demographer for the Brookings Institution.

"People continue to want to live in the West," Frey said. "This is basically a result of the housing market functioning in a way that has gotten out of control and the financial markets not working correctly. ... Eventually that's going to clear up."

In general, the estimates indicate Utah's metro areas weren't as hard hit as areas such as Las Vegas and Phoenix, said Pamela Perlich, senior research economist at the University of Utah. She pointed out that St. George was one of only four metro areas in the top-10 growth that had also been on the list in the prior year.

The estimates also indicate New Orleans and the Gulf Coast are starting to recover from the impact of Hurricane Katrina. New Orleans saw an influx of 38,000 people and ranked eighth in overall growth. On the Mississippi Gulf Coast, the Gulfport-Biloxi and Pascagoula metro areas also saw population growth.

In Utah, Perlich said while growth is likely to slow somewhat, "the trend remains quite positive."

The Provo-Orem metro area, which ranks eighth nationally in growth since 2000, ranks 34th in its one-year growth of 2.6 percent. And the Ogden-Clearfield metro area ranked 26th with 2.9 percent

growth.

Utah's largest metro area — Salt Lake — grew by 2 percent, reaching an estimated population of 1.1 million. And the Logan metro area grew by 2.2 percent.

"We're connected to the larger nation," Perlich said. "The St. George area has been impacted a bit more."

St. George is the state's only metro area that is a declining market, in which median home prices have decreased for two quarters or more, according to the U.S. Office of Federal Housing Enterprise Oversight.

The southwestern metro area is more like Phoenix and Las Vegas and has seen a more intense upturn and downturn in housing prices than the Wasatch Front, said Kelly Matthews, executive vice president and economist for Wells Fargo.

Home prices throughout Utah have risen more sharply than incomes and need to decrease for the market to stabilize, he said. Still, Utah remains relatively attractive to those moving from states such as California, from which Utah has seen much of its influx.

"The reality is not too many people move from Ohio and Michigan to Utah," Matthews said. "Utah still looks very good relative to California."

And Matthews said Utah's job market continues to look comparatively good, even though growth is declining and approaching 2 percent. That compares to growth that has dipped below 1 percent in some places.

"It's clear we have to work our way through this difficult time, just like everyone else," he said. "Utah remains in an excellent position, not only to return to normal or average growth; there isn't any reason we can't get back to above-average growth."

In St. George, growth continues to be the top issue, even if it's slowing somewhat, Gardner said. The metro area's population is approaching 134,000 people.

"Over the years we've seen a change in lifestyle and vocation," he said. "We've moved from a more agrarian community to a retirement/resort community."

St. George's growth continues to be driven by migration, more so than the state's other metro areas. St. George saw an influx of 4,700 people in one year, accounting for nearly 70 percent of the county's growth, according to the census. That's more than double that of the Salt Lake area, where only 31 percent of the growth was due to people moving in.

One recent transplant to St. George is Russ Behrmann, president of the St. George Area Chamber of Commerce, who said he moved there a year and a half ago from Salt Lake City for "the weather, nature and outdoor recreation."

"But I'm not really new anymore," he said. "If you walk down the street right now, nearly one in three people you meet moved here within the last year or so."

Still, even with continuing growth, he said the prevailing mood within the area's business community is one of caution and concern.

"We began noting feedback about a slowdown around June or July of 2007. It seems to be almost parallel to when we started to see a real slowdown in new housing permits," Behrmann said. "But the truth is, we are still growing and have started showing up on corporate maps. We're getting retail

businesses that we've never seen before."

Gardner said while he believes St. George will continue its upward trend in population, there's another No. 1 ranking he would like the city to hang onto even more.

"I'd make sure we are ranked high in quality of life and make sure we are a safe city. That's a very important feature," said Gardner, who has children and grandchildren living here. "I have a vested interest in St. George. I always have and always will."

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