



Real Estate

Best And Worst Bang For The Buck Cities

Abha Bhattarai 10.10.08, 2:30 PM ET

The economic storm sweeping the country has left Americans with few places to hide.

But those looking to hunker down might want to head to Texas, where they can get the best value for their dollar.

That's because Austin and San Antonio lead our list of places where your money goes farthest. Residents of both enjoy affordable housing and promising prospects for job growth in coming years. Houston and Dallas also land in the top 10, at Nos. 4 and 7, respectively.

In Depth: America's Best-Value Cities

In Depth: America's Worst-Value Cities

"Texas, as a whole, is one of the few economies that's performing extremely well because of the energy and technology sectors," says Andrew Gledhill, an economist at Moody's Economy.com. Plus, he added, military bases in San Antonio have continued to draw a steady stream of personnel and federal employees to the city, spurring widespread job growth.

The state's manufacturing sector has also grown in recent years, and a reputation for affordable housing continues to lure people to the South. When accounting for median household income, a house in Dallas, for example—with a median price of about \$150,000—is four times more affordable than a house in Los Angeles, the worst-ranked city on our list.

A house in New York is three times less affordable than in Charlotte, N.C., and four times less than in Denver, two cities where your money goes far and where the median house costs \$245,000, according to the National Association of Realtors.

Housing has remained affordable in the South and Midwest, thanks to growing populations, relatively lax building regulations and "lots and lots of land," said Daniel McCue, a research analyst at Harvard's Joint Center for Housing Studies.

Plus, he added, housing in cities like Houston "grew at a more controlled pace and didn't go overboard like in Phoenix or Las Vegas," which means houses won't lose much value in coming months.

Related Stories

America's Most And Least Vulnerable Towns

Pockets Of Prosperity

Three Midwestern cities round out the top 10: Indianapolis; Columbus, Ohio; and Minneapolis. The worst-ranked cities, after Los Angeles, were Providence, R.I.; New Orleans; Philadelphia; and Cleveland.

Behind the Numbers

To ensure that our list reflected future value instead of past bargains, we began by looking at projected job growth through 2012 in the 40 largest U.S.-Census-defined metropolitan areas of the country with data from Moody's Economy.com.

Texan cities were a clear winner, with economists predicting job growth of at least 2% by 2012 in Austin, San Antonio, Dallas and Houston. By comparison, job growth in cities at the bottom of our list, including Los Angeles,