

July 19, 2022



Migration Hotspots Have the Highest Inflation Rates, Redfin Reports

Phoenix, Atlanta, Tampa and Miami have the highest inflation rates in the country, with housing prices making up a big portion of those rising costs

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — Four U.S. metros experienced double-digit inflation in the second quarter—Phoenix, Atlanta, Tampa, FL and Miami—and all four were among the most popular migration destinations for Redfin.com users, according to a new [report](#) from Redfin ([redfin.com](#)), the technology-powered real estate brokerage. These destinations have the highest inflation rates in the U.S. partly because they're attracting so many new residents and experiencing sharp home-price increases.

Phoenix saw prices of goods and services rise 11.3% year over year on average in the second quarter, the highest inflation rate of the metros in Redfin's analysis. Phoenix was also the third-most popular destination for Redfin.com users looking to move from one metro to another, according to Redfin's migration data.

Atlanta, the 12th-most popular destination, had the second highest inflation rate at 10.9%, and Tampa (10.6%) clocked in at number three for inflation and number two for migration. Miami, the most popular destination, had the fourth-highest inflation rate (10%).

Prices of goods and services are rising much slower in the metros homebuyers are leaving

The places homebuyers are leaving tend to have lower inflation rates. In San Francisco, which tops the list of metros Redfin.com users looked to leave in the second quarter, prices rose 5.6%. That's the lowest inflation rate of the metros in Redfin's analysis and half that of Phoenix.

New York had the second-lowest inflation rate (5.9%), and it's number three on the list of places homebuyers are leaving. Los Angeles (8%), Washington, D.C. (7.1%) and Seattle (8.9%), which round out the top five metros homebuyers are leaving, all have inflation rates near the middle of the pack.

"A place's popularity has a big impact on how much its local prices go up," said Redfin Deputy Chief Economist Taylor Marr. "An influx of people moving into a place like Phoenix or Tampa pushes up demand for everything from housing to food to fuel, which pushes up prices in all those areas and ultimately contributes to overall inflation. That means it's getting more difficult for locals to afford daily expenses, especially when you consider that wages aren't rising as quickly. In Phoenix, for instance, wages are up about 6% from a year ago, but inflation is up more than 11% and asking rents are up 24%. Homeowners are in a better position than renters because they benefit from rising home values."

Housing costs are a bigger inflation driver in popular migration destinations

The increase in housing costs is a bigger contributor to inflation in migration hotspots than the places homebuyers are leaving.

In Phoenix, for instance, overall housing costs rose nearly 16% year over year in June, the second-biggest inflation driver behind transportation. And in Atlanta, housing costs rose 11%, also the second-biggest inflation driver after transportation. Transportation includes fuel, which is a particularly noticeable inflation driver in car-dependent places like Phoenix and Atlanta.

On the other end of the spectrum, housing costs increased 3.8% in San Francisco, a small inflation driver compared with food, medical care and other goods and services, in addition to transportation. The story is similar in New York, where housing costs rose 4.2%, also a smaller increase than most of the other categories.

The share of homebuyers relocating is at a record high, largely thanks to remote work making moving more feasible. Many homebuyers have moved from expensive coastal job centers to comparatively affordable Sun Belt metros, though their popularity has rendered several of those areas less affordable than before. Phoenix home prices have risen more than 60% throughout the pandemic, reaching \$486,000 in May.

Because home prices and other costs are rising faster in popular migration destinations, the financial benefit of living in a place like Phoenix instead of coastal California may eventually diminish.

To view the full report, including charts and methodology, please visit: <https://www.redfin.com/news/migration-inflation-q2-2022>

About Redfin

Redfin (www.redfin.com) is a technology-powered real estate company. We help people find a place to live with brokerage, instant home-buying (iBuying), rentals, lending, title insurance, and renovations services. We sell homes for more money and charge half the fee. We also run the country's #1 real-estate brokerage site. Our home-buying customers see homes first with on-demand tours, and our lending and title services help them close quickly. Customers selling a home can take an instant cash offer from Redfin or have our renovations crew fix up their home to sell for top dollar. Our rentals business empowers millions nationwide to find apartments and houses for rent. Since launching in 2006, we've saved customers more than \$1 billion in commissions. We serve more than 100 markets across the U.S. and Canada and employ over 6,000 people.

For more information or to contact a local Redfin real estate agent, visit www.redfin.com. To learn about housing market trends and download data, visit the [Redfin Data Center](#). To be added to Redfin's press release distribution list, email press@redfin.com. To view Redfin's press center, [click here](#).

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20220719005512/en/>

Redfin Journalist Services:

Ally Braun, 206-588-6863
press@redfin.com

Source: Redfin