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Redfin Migration Report: Affordable Inland Metros Drew Migrants from San Francisco, New York and Los Angeles

Sacramento, Phoenix and Las Vegas Were the Most Popular Migration Destinations at Year End

SEATTLE, Feb. 7, 2018 /PRNewswire/ -- (NASDAQ: RDFN) -- In the fourth quarter of 2017, people in expensive, high-tax coastal markets like San Francisco, New York and Los Angeles, searched for homes in more affordable metros with lower taxes like Sacramento, Phoenix, Las Vegas and Nashville, according to the latest [Migration Report](#) from Redfin (www.redfin.com), the next-generation real estate brokerage.



Of the 22 percent of [Redfin.com](#) home searchers who looked to move to another metro area, the following key trends emerged:

- San Francisco, New York, Los Angeles, Washington, D.C. and Chicago posted the highest net outflows.
- Fast-growing, mid-tier metros in the Sunbelt, including Phoenix and Las Vegas, and the South, including Atlanta and Nashville, had the highest net inflows.
- Seattle saw more users looking to leave than to move to the area for the first time since we began tracking this data at the beginning of 2017.

The analysis is based on a sample of more than 1 million Redfin.com users searching for homes across 75 metro areas from October through December. Redfin began systematically tracking homebuyer migration at the beginning of 2017 and these fourth-quarter trends follow the migration patterns observed [throughout last year](#).

Redfin expects that in 2018, this migration pattern will intensify as tax reform becomes a reality and more people choose to relocate in search of a lower cost of living.

"People leaving coastal hubs in search of affordability has been a consistent trend for the last five years," said Redfin chief economist Nela Richardson. "Late last year there was a twist. Many of the popular migration paths that we saw Redfin.com users exploring yielded tax benefits along with increased affordability."

By comparing annual property, state and local tax burdens from the [2016 Tax Rates and Tax Burdens in the District of Columbia: A Nationwide Comparison](#) report, we're able to estimate what a move from one metro to another might entail from a tax perspective. For example, 18.2 percent of all Redfin.com searches for homes in Las Vegas in the fourth quarter came from Los Angeles; a family earning \$150,000 who made this move could save \$7,785 in taxes and would likely pay less for a similar home, given that the typical home in Las Vegas costs about \$333,000 less than in Los Angeles. Similarly, the 9 percent of New Yorkers looking to leave who considered Atlanta might save \$5,809 in taxes and benefit from a \$161,000 lower median home sale price.

"Lower taxes and more affordable housing have historically drawn Californians away from the coast to places like Nevada and Arizona," said Heidi Ludwig, a Redfin Agent in Hermosa Beach. "The recent changes in tax law have been coming up in my conversations with prospective home sellers. Last year, several of my home-selling clients followed their employer, Toyota, to its new facility in Plano, Texas. I expect to see more people move in the same direction this year, but for different reasons including taxes and overall affordability."

Seattle showed a negative net outflow in the fourth quarter, a first since we began tracking migration patterns at the beginning of 2017. Among local users who were looking to leave, 10.6 percent were eyeing Los Angeles, followed by Bellingham, Wash., Portland and Phoenix, each of which captured at least 8 percent of Seattleites looking to leave.

Moving Out - Metros with the Highest Net Outflow of Users and Their Top Destinations					
Rank	Metro*	Net Outflow†	Portion of Local Users Searching Elsewhere	Top Destination	Top Out-of-State Destination
1	San Francisco, CA	-15,489	19.4%	Sacramento, CA	Seattle, WA
2	New York, NY	-12,532	33.4%	Boston, MA	Boston, MA
3	Los Angeles, CA	-11,326	15.5%	San Diego, CA	Las Vegas, NV
4	Washington, DC	-3,892	10.2%	Philadelphia, PA	Philadelphia, PA
5	Chicago, IL	-1,772	8.9%	Los Angeles, CA	Los Angeles, CA
6	Houston, TX	-321	24.9%	Austin, TX	Los Angeles, CA
7	Seattle, WA	-258	10.4%	Los Angeles, CA	Los Angeles, CA
8	Detroit, MI	-117	25.2%	Chicago, IL	Chicago, IL
9	Eugene, OR	-83	33.1%	Portland, OR	Seattle, WA
10	Omaha, NE	-50	29.6%	Las Vegas, NV	Las Vegas, NV

Moving In - Metros with the Highest Net Inflow of Users and Their Top Origins					
Rank	Metro*	Net Inflow†	Portion of Searches from Users Outside the Metro	Top Origin	Top Out-of-State Origin
1	Sacramento, CA	3,888	37.7%	San Francisco, CA	Seattle, WA
2	Phoenix, AZ	3,132	30.1%	Los Angeles, CA	Los Angeles, CA
3	Las Vegas, NV	3,075	43.4%	Los Angeles, CA	Los Angeles, CA
4	San Diego, CA	3,043	26.4%	Los Angeles, CA	Seattle, WA
5	Atlanta, GA	2,700	25.9%	New York, NY	New York, NY
6	Portland, OR	2,287	16.4%	San Francisco, CA	San Francisco, CA
7	Dallas, TX	1,788	22.0%	Los Angeles, CA	Los Angeles, CA
8	Nashville, TN	1,582	32.4%	New York, NY	New York, NY
9	Boston, MA	1,574	12.6%	New York, NY	New York, NY
10	Austin, TX	1,490	24.8%	New York, NY	New York, NY

*Combined statistical areas with at least 500 users in Q4 2017

†Among the one million users sampled for this analysis only

To read the full report, complete with an interactive data map of metro-to-metro migration

trends and full methodology, please visit: <https://www.redfin.com/blog/2018/02/q4-migration-report.html>.

About Redfin

Redfin (www.redfin.com) is the next-generation real estate brokerage, combining its own full-service agents with modern technology to redefine real estate in the consumer's favor. Founded by software engineers, Redfin has the country's #1 brokerage website and offers a host of online tools to consumers, including the [Redfin Estimate](#), the automated home-value estimate with the industry's lowest published error rate for listed homes. Homebuyers and sellers enjoy a full-service, technology-powered experience from Redfin real estate agents, while saving thousands in commissions. Redfin serves more than 80 major metro areas across the U.S. The company has closed more than \$50 billion in home sales.

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