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Redfin Migration Report: Phoenix is Top Destination for People Looking to Leave Expensive, High-Tax Metros

More than one third of people searching Redfin.com for Phoenix homes last quarter were from out of town

SEATTLE, May 6, 2019 /PRNewswire/ -- (NASDAQ: RDFN) -- Twenty-five percent of Redfin.com home searchers looked to move to another metro area in the first quarter of 2019, up from 23 percent last year, according to a [new report](#) from Redfin (www.redfin.com), the tech-powered real estate brokerage. The national share of home-searchers looking to relocate currently sits at its highest level on record, tied with the fourth quarter of 2018.



The latest migration analysis is based on a sample of more than 1 million Redfin.com users who searched for homes across 87 metro areas from January through March.

"People are feeling more confident about the economy and now feel financially secure enough to make a cross-country move to a metro where their money will go further," said Redfin chief economist Daryl Fairweather. "Homeownership may be out of reach for current residents of San Francisco or New York, but there are plenty of affordable homes and lower taxes in places like Phoenix, Atlanta and Austin. As more workers move to these places, there is a chicken and egg phenomenon where more companies open offices, which attracts even more workers."

Moving In: Metros with the Highest Net Inflow of Redfin Users

Phoenix re-took the top spot on the list of metro areas, outranking Sacramento with the highest net inflow of Redfin users in the first quarter. A net inflow means more people are looking to move in than leave, while a net outflow means there are more people looking to leave than people looking to move in.

The net inflow for Phoenix hit 7,949, the highest level on record not only for Phoenix, but for any metro area to date since Redfin began reporting net migration data in early 2017. The share of homebuyers searching in the Phoenix metro area from other metro areas also hit a new high of 34.5 percent in the first quarter, surpassing the previous peak of 34.0 percent in the second quarter of 2018.

"It is pretty rare for me to meet a home-buying client who was born or raised in Phoenix or even elsewhere in Arizona," said Phoenix area Redfin agent Heather Corley. "So many people are coming here from expensive cities like Los Angeles, San Francisco and Seattle for our low cost of living and great weather. The trend is really increasing lately thanks to strong job growth and companies such as Allstate, Intel, Boeing, Microsoft and Facebook moving to the area."

The uptick in migration is beginning to drive more competition for homes in the Phoenix area. "The rise in out-of-state buyers is definitely driving prices up," explained Corley. "We're seeing a lot more homes for sale that receive multiple offers, and many times we're competing with all-cash buyers."

"Many of the buyers I work with are moving away from expensive places in California to escape high taxes, traffic, and natural disasters," said Phoenix area Redfin agent Van Welborn. Vincent Shook, another Phoenix Redfin agent added: "When a California resident visits Phoenix and sees how much more home they can afford here, it really gives them something to think about. Plus, Phoenix property taxes are just so much lower."

Top 10 Metros by Net Inflow of Users and Their Top Origins							
Rank	Metro*	Net Inflow 2019 Q1†	Net Inflow 2018 Q1	Portion of Searches from Users Outside the Metro 2019 Q1	Portion of Searches from Users Outside the Metro 2018 Q1	Top Origin	Top Out-of- State Origin
1	Phoenix, AZ	7,949	6,097	34.50%	33.60%	Los Angeles, CA	Los Angeles, CA
2	Sacramento, CA	5,987	4,684	41.70%	39.50%	San Francisco, CA	Seattle, WA
3	Atlanta, GA	5,402	4,205	26.20%	26.30%	New York, NY	New York, NY
4	Austin, TX	4,447	2,402	31.70%	26.70%	San Francisco, CA	San Francisco, CA
5	Miami, FL	4,400	3,024	28.40%	27.70%	New York, NY	New York, NY
6	Las Vegas, NV	3,987	4,189	43.10%	43.60%	Los Angeles, CA	Los Angeles, CA
7	Dallas, TX	3,797	2,312	24.10%	23.00%	Los Angeles, CA	Los Angeles, CA
8	Tampa, FL	3,536	1,802	55.80%	43.90%	New York, NY	New York, NY
9	San Diego, CA	2,817	2,065	23.80%	24.30%	Los Angeles, CA	Seattle, WA
10	Raleigh, NC	2,482	1,602	31.10%	28.30%	New York, NY	New York, NY
*Combined statistical areas with at least 500 users in Q1 2019							
†Negative values indicate a net outflow; among the one million users sampled for this analysis only							

Moving Out – Metros with the Highest Net Outflow of Redfin Users

Perennial sources of out-migration New York, San Francisco, Los Angeles and Washington, D.C., topped the list of metros people looked to leave, posting the highest net outflows in the first quarter.

Top 10 Metros by Net Outflow of Users and Their Top Destinations							
Rank	Metro*	Net Outflow 2019 Q1†	Net Outflow 2018 Q1	Portion of Local Users Searching Elsewhere 2019 Q1	Portion of Local Users Searching Elsewhere 2018 Q1	Top Destination	Top Out-of-State Destination
1	New York, NY	26,938	18,549	35.00%	33.90%	Boston, MA	Boston, MA
2	San Francisco, CA	26,366	19,884	21.40%	20.70%	Sacramento, CA	Seattle, WA
3	Los Angeles, CA	12,934	11,607	15.80%	15.30%	San Diego, CA	Phoenix, AZ
4	Washington, D.C.	8,543	5,743	11.60%	10.90%	Philadelphia, PA	Philadelphia, PA
5	Chicago, IL	4,428	3,056	10.10%	9.30%	Phoenix, AZ	Phoenix, AZ
6	Denver, CO	3,838	1,094	24.20%	19.60%	Seattle, WA	Seattle, WA
7	Seattle, WA	2,039	3,066	12.00%	12.30%	Los Angeles, CA	Los Angeles, CA
8	Milwaukee, WI	796	198	36.40%	29.10%	Chicago, IL	Chicago, IL
9	Detroit, MI	474	261	21.60%	25.90%	Chicago, IL	Chicago, IL
10	Houston, TX	439	664	26.30%	26.40%	Austin, TX	Los Angeles, CA
*Combined statistical areas with at least 500 users in Q1 2019							
†Among the one million users sampled for this analysis only							

In each of the six metros with the largest outflows—New York, San Francisco, Los Angeles, Washington, D.C., Chicago and Denver—the total net outflow of users was up from the same period a year earlier.

To read the full migration report, including methodology and an interactive map of migration destinations and origins, visit: <https://www.redfin.com/blog/q1-2019-housing-migration-report>.

About Redfin

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