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## Priced Out of Austin, Relocating Homebuyers Turn to San Antonio

*Redfin reports that Austin, Las Vegas, Nashville and other metros popular during the pandemic have seen in-migration slow amid surging prices and higher mortgage rates*

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — Homebuyers who are priced out of Austin are turning to San Antonio, located about 80 miles southwest, according to a new [report](#) from Redfin ([redfin.com](#)), the technology-powered real estate brokerage.

San Antonio ranks 10th on Redfin's list of most popular migration destinations, and its popularity with homebuyers from other parts of the country has soared since the beginning of the pandemic. Over 6,000 more Redfin.com home searchers looked to move into San Antonio than leave in the first quarter, up from about 4,000 a year earlier and 2,000 just before the pandemic. San Antonio is the fastest-growing U.S. city by sheer numbers, gaining nearly 14,000 residents between 2020 and 2021, according to the U.S. Census.

As San Antonio's popularity with out-of-towners picks up, Austin's is declining. The Texas capital had a net inflow of roughly 3,000 homebuyers in the first quarter—down from a peak of 11,000 a year earlier—and it no longer ranks on Redfin's list of popular migration destinations. Austin was the nation's most popular pandemic-fueled migration destination in early 2021 as remote workers flocked from pricey coastal job centers to comparatively affordable parts of the country—but now many buyers are priced out.

### **Affordability is the main reason homebuyers are turning to San Antonio**

Although home prices in San Antonio have risen 38% since the beginning of the pandemic, the median price was still just \$330,000 in April—more than \$200,000 less than Austin, and roughly the same as Austin's typical price two years ago. The estimated typical monthly mortgage payment in San Antonio increased 59% over that period, from \$1,191 to \$1,895. Asking rents were up 15% year over year to \$1,457.

The gap between home prices in San Antonio and Austin has gotten bigger throughout the pandemic, with the typical Austin home selling for \$555,000 in April. That's up more than 70% from \$325,000 since April 2020—the biggest increase in the country. Estimated monthly mortgage payments were up a staggering 97%, from \$1,614 to \$3,187. Asking rents have also shot up, increasing 46% year over year to \$2,531 in April.

Many of the buyers moving into San Antonio are coming from its neighbor to the north. Austin is the number-one origin of out-of-town homebuyers relocating to San Antonio, and San Antonio is the most common destination for people leaving Austin. Seventeen percent of Redfin.com users looking to move to San Antonio come from Austin, up from 10% a year ago. Meanwhile, 16% of homebuyers leaving Austin are moving to San Antonio, up from 14% a year ago.

“I’ve seen a wave of people moving from Austin to San Antonio this year, and affordability is always the number-one reason,” said San Antonio Redfin agent Chelsea Knox. “In Austin, \$300,000 will buy you a two-bedroom condo with less than 1,000 square feet. In San Antonio, you can get a beautiful four-bedroom, 3,000-square-foot home for the same price. But it’s not just about affordability: San Antonio’s southern hospitality, cultural events, beautiful views, rolling hills and military bases attract a lot of people from out of town.”

Austin’s housing market is showing early signs of cooling, largely due to its skyrocketing prices. Sixteen percent of Austin home sellers dropped their asking price in April, up from 9% a year earlier. Austin home sales were down 13% year over year, and it was one of just a handful of U.S. metros where the number of homes for sale rose year over year in April. Prices were still up 19% year over year and the typical home sold 6.3% above its asking price (down from 9.5% a year earlier).

### **Relocating homebuyers are also turning away from other pandemic hotspots**

Migration is also slowing in other pandemic hotspots. The net inflow of homebuyers was down from a year earlier in seven of Redfin’s 25 most popular migration destinations: Phoenix, Las Vegas, Dallas, Atlanta, Nashville, Charlotte, NC, and Raleigh, NC. (Migration into Austin slowed so significantly that it’s no longer on the top-25 list).

“Destinations like Austin, Nashville and Las Vegas used to be relatively affordable, which is one reason why they were so popular with people looking to move away from expensive coastal cities,” said Redfin Deputy Chief Economist Taylor Marr. “But largely because of their popularity, home prices have surged, causing some local buyers to either pause their search altogether or move to areas that are *still* relatively affordable. San Antonio is an apt example of one of these overflow migration destinations, and I expect more to emerge when homebuyer demand picks back up.”

Redfin is already seeing an increase in migration from Nashville, where the typical home sold for \$455,000 in April, into Memphis, TN, where the typical home sold for \$280,000. There’s also an uptick in relocation from Charlotte (\$392,000) and Raleigh (\$439,000) to more-affordable Greensboro, NC (\$252,000).

Popular Migration Destinations Where the Homebuyer Influx Has Slowed in 2022					
Metro area	Migration rank, April 2022	Net inflow, April 2022	Net inflow, April 2021	Most common origin of homebuyers moving into the metro	Most common destination for homebuyers leaving the metro
Phoenix	2	6,901	6,945	Los Angeles, CA	Tucson, AZ
Las Vegas, NV	5	5,821	6,389	Los Angeles, CA	Los Angeles, CA
Dallas, TX	8	3,822	5,023	Los Angeles, CA	Austin, TX
Atlanta, GA	12	2,942	5,318	New York, NY	Miami, FL
Nashville, TN	17	1,723	3,211	Los Angeles, CA	Clarksville, TN
Charlotte, NC	23	1,476	2,603	New York, NY	Greensboro, NC
Raleigh, NC	25	1,315	2,551	Fayetteville, NC	Greensboro, NC

To view the full report, please visit: <https://www.redfin.com/news/homebuyer-migration-san-antonio/>

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