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Redfin Reports Cross-Country Movers Largely Undeterred By High Mortgage Rates

Redfin.com user search data shows that 14% fewer homebuyers looked to move within their own metro area in February than a year earlier, compared with a 4% drop for out-of-town movers

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — The number of Redfin.com home searchers looking to relocate to a new metro fell 3.6% year over year in February, according to a new [report](#) from Redfin ([redfin.com](#)), the technology-powered real estate brokerage.

That compares with a 14.4% drop in Redfin.com home searchers looking to relocate within their current metro. Those are both the biggest declines in Redfin's records, which go back through 2018.

The rise in mortgage rates over the last year has made purchasing a home more expensive almost across the board, but elevated rates often aren't as big of a deterrent for relocating homebuyers because they're typically moving to more affordable areas.

Someone moving from Los Angeles to Las Vegas, for instance, could buy a home comparable to the one they're selling in Los Angeles for half the price. High rates don't impact that buyer as much because they're getting a cheaper house and may be using proceeds from a home sale in a more expensive area. People moving from one part of the country to another may also be doing so for a higher-paying job, which would help offset high mortgage rates.

Additionally, homebuyers relocating to a different part of the country may have a non-negotiable reason for their move: Maybe they are moving for that higher-paying job, or to be closer to family. High rates are less likely to deter those homebuyers than ones simply considering a different house within the same town.

Share of Buyers Looking to Move to a New Metro Is At a Record High

One-quarter (25.1%) of house hunters nationwide looked to relocate to a new metro in February, a record high. That's up from 22.9% a year earlier and roughly 18% before the pandemic.

Relocators made up a bigger portion of homebuyers than ever because elevated mortgage rates, still-high home prices, inflation and economic uncertainty are motivating the few people who are still buying homes to move to more affordable areas. Remote work has also made it more feasible for Americans to relocate.

Florida, other Sun Belt destinations are most popular with relocating buyers

Miami, Phoenix, Las Vegas, Sacramento, CA and Tampa, FL were the most popular destinations for house hunters looking to move to a different metro in February. Other parts of Florida and a couple Texas metros round out the top 10: Orlando, Cape Coral, Dallas, North Port-Sarasota and Houston. Popularity is determined by net inflow, a measure of how many more Redfin.com users looked to move into an area than leave.

Relatively affordable Sun Belt metros perennially top the list of places people are looking to move, due mainly to their comparatively cheap housing and warm weather.

While homes in these places cost considerably more than pre-pandemic, they remain comparatively affordable. The typical home in most of the popular destinations is less expensive than the typical home in the top origins. The typical Miami home sold for \$485,000 in February, compared with \$640,000 in New York, the most common origin for homebuyers looking to move in. And the typical Phoenix home sold for \$425,000, compared with \$710,000 Seattle, the most common origin.

“For buyers coming from the Bay Area or another expensive place, homes in Phoenix seem cheap. That’s why out-of-towners are still buying homes even though rates are high,” said Phoenix Redfin agent Heather Mahmood-Corley. “Desirable, well-priced homes are selling quickly, sometimes with a bidding war—largely because there are still so many buyers moving in from out of town.”

Top 10 Metros Homebuyers Are Moving Into, by Net Inflow					
Net inflow = Number of Redfin.com home searchers looking to move into a metro area, minus the number of searchers looking to leave					
Rank	Metro*	Net Inflow, Feb. 2023	Net Inflow, Feb. 2022	Top Origin	Top Out-of-State Origin
1	Miami, FL	8,300	12,900	New York, NY	New York, NY
2	Phoenix, AZ	6,700	10,700	Seattle, WA	Seattle, WA
3	Las Vegas, NV	6,200	7,200	Los Angeles, CA	Los Angeles, CA
4	Sacramento, CA	6,100	7,800	San Francisco, CA	Chicago, IL
5	Tampa, FL	5,700	8,300	New York, NY	New York, NY
6	Orlando, FL	4,600	2,500	New York, NY	New York, NY
7	Cape Coral, FL	4,500	6,300	Chicago, IL	Chicago, IL
8	Dallas, TX	4,500	7,000	Los Angeles, CA	Los Angeles, CA
9	North Port-Sarasota, FL	4,300	5,800	Chicago, IL	Chicago, IL
10	Houston, TX	4,100	3,600	New York, NY	New York, NY
*Combined statistical areas with at least 500 users searching to and from the region in December 2022-February 2023					

House hunters are leaving expensive job centers

Homebuyers looked to leave San Francisco, New York and Los Angeles more than any other metro in February, followed by Washington, D.C. and Chicago. This ranking is determined by net outflow, a measure of how many more Redfin.com users looked to leave a metro than move in.

While San Francisco tops the list of places people are looking to leave, fewer homebuyers are leaving than a year ago. That may be partly because Bay Area home prices are falling.

Expensive coastal job centers typically top the list of places people are leaving. That trend became more pronounced in recent years as remote work allowed homebuyers to relocate

to more affordable areas.

Top 10 Metros Homebuyers Are Leaving, by Net Outflow						
<i>Net outflow = Number of Redfin.com home searchers looking to leave a metro area, minus the number of searchers looking to move in</i>						
Rank	Metro*	Net Outflow, Feb. 2023	Net Outflow, Feb. 2022	Portion of Local Users Searching Elsewhere	Top Destination	Top Out-of-State Destination
1	San Francisco, CA	30,300	41,800	25%	Sacramento, CA	Seattle, WA
2	New York, NY	21,100	20,500	28%	Miami, FL	Miami, FL
3	Los Angeles, CA	19,200	30,000	18%	Las Vegas, NV	Las Vegas, NV
4	Washington, D.C.	16,100	17,200	19%	Miami, FL	Miami, FL
5	Chicago, IL	7,000	6,900	17%	Miami, FL	Miami, FL
6	Boston, MA	5,900	10,400	21%	Miami, FL	Miami, FL
7	Seattle, WA	4,800	20,000	19%	Phoenix, AZ	Phoenix, AZ
8	Denver, CO	3,900	4,000	34%	Chicago, IL	Chicago, IL
9	Hartford, CT	2,800	700	75%	Boston, MA	Boston, MA
10	Portland, OR	1,700	2,500	21%	Bend, OR	Phoenix, AZ
*Combined statistical areas with at least 500 users searching to and from the region in December 2022-February 2023						

To view the full report, including charts and methodology, please visit:
<https://www.redfin.com/news/housing-migration-trends-february-2023>

About Redfin

Redfin (www.redfin.com) is a technology-powered real estate company. We help people find a place to live with brokerage, rentals, lending, title insurance, and renovations services. 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 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. Customers who buy and sell with Redfin pay a 1% listing fee, less than half of what brokerages commonly charge. 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 5,000 people.

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