

REAL ESTATE

Migration trends were not defined but accentuated by COVID-19

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Many migration habits had already been forming in the years before the pandemic, as certain smaller cities and vacation areas became more popular. Image credit: Placer.ai

By KATIE TAMOLA

When the COVID-19 pandemic hit, several people anticipated mass withdrawals from large, popular cities.

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A new [whitepaper](#) from Placer.ai suggests disparate trends, however, mainly indicating that many people did not move, and that those who did stayed close to where they were moving from. While COVID-19 did not necessarily define moving trends over the past few years, it did exacerbate them slightly, while those who made significant moves had also chosen areas that were becoming increasingly popular pre-pandemic.

Minute moves

As the COVID-19 pandemic brought upon a time of uncertainty and apprehension, many assumed large groups of people would leave popular cities for more spacious areas. In reality, the pandemic did not bring about mammoth moving trends.

Many migration habits had already been forming in the years before the pandemic, as certain smaller cities and vacation areas became more popular, and certain larger cities already began seeing citizens leave.



States that were losing residents before the pandemic also saw that trend continue, including New York and California which saw 1 to 2 percent population declines since 2019. Image credit: Coldwell Banker

Change in net population across states between Q1 2021 and Q1 2022 stayed between the range of -0.9 percent in Illinois and New Jersey and 2.3 percent in Idaho.

When comparing the population in Q1 2022 to the same time periods in 2019 and 2018, the changes also were also small in most states.

While COVID-19 did not define certain trends, it may have exacerbated them, including residents leaving cities. States known for their large cities, including New York, Illinois and California all recorded gradual declines in population of 1.1 percent, 2.2 percent and 1.1 percent, respectively, since Q1 2018.

Many who did leave cities relocated to nearby towns or counties. Brooklyn saw its population drop by 1.8 percent from April 2021 to April 2022, but many residents fled nearby, as 10.3 percent of those who left moved to Queens and 8.7 percent moved to Manhattan.

More local moves reflected residents moving to smaller metropolitan areas close by. Cities like Philadelphia, Raleigh and Phoenix saw sizable population boosts.

States that were gaining popularity before the pandemic maintained momentum. Florida, Texas and Arizona saw population increases by 2 to 4 percent since 2019.

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Housing market woes

The housing market is facing a challenging landscape as of late, with decreasing mortgage demand, mortgage rates dramatically increasing and other factors.



The housing market continues to face challenges. Image credit: Lennar Corporation

The luxury real estate market is not exempt from feeling these effects.

After dramatic growth in the last year and a half, luxury home sales in the U.S. fell by almost 18 percent for the three months ending April 30, according to a new analysis from Redfin.

Sales plummeted 17.8 percent, the largest decline since luxury home sales dropped by 21.6 percent for the three months ending May 30, 2020, at the onset of the COVID-19 pandemic. This latest drop comes amid a stressed market with climbing interest rates, growing inflation and a slipping stock market ([see story](#)).

According to real estate brokerage Redfin, demand for vacation homes fell drastically over the last two months as mortgage rates hit 4.67 percent by the end of March and people began returning to offices. Despite the decline, however, demand remains 13 percent above pre-pandemic levels and is expected to stay elevated as remote work models appear permanent for many homeowners ([see story](#)).