COVID-19 Impact on Resident Migration Patterns

REPORT SUMMARY
Executive Summary

- As the COVID-19 crisis escalated and social-distancing restrictions took hold, the outflow of people from dense, high-cost urban metros accelerated in 2020.
- Sun Belt metros and those in interior parts of the country either gained new residents or had fewer people leave relative to 2019.
- While some metros fared better than others, nearly all urban centers saw an increase in move-outs. Nationally, urban centers had 15% more move-outs in 2020 than in 2019, according to CBRE’s analysis of U.S. Postal Service (USPS) data.
- Most of the moves in the pandemic were short-to-moderate distances, often to nearby counties.
- The biggest cohort of this urban outflow is affluent young adults who are well-educated, childless and can work remotely.
- The outflow from urban areas likely will subside as normal life resumes and lower rents lure back some who had moved out.

Explore CBRE’s full interactive COVID-19 Impact on Migration Patterns report at cbre.us/migration.
USPS address-change data provides a frequently updated look at migration across the U.S.

Anecdotal evidence suggests that as people were forced to spend more time at home during the pandemic, many decided trade-up for more space and to at least temporarily reconsider the benefits of urban vs. suburban living.

To confirm this, CBRE Research extensively analyzed USPS data that aggregates address-change requests on a local and regional scale, excluding temporary address changes. The 29 million address changes in 2020 represented a fraction of the U.S. population. While the pandemic did precipitate substantial shifts in migration patterns, even zip codes that were the most affected saw the number of move-outs increase by less than 5% of their total population.

Our analysis of address changes (move-out to move-in) relies on the number of net move-ins normalized by population for each locality. We then compared 2020 net move-in volume to 2019 volume to isolate the unique impact that COVID-19 is having on migration.

Consider Winnetka, IL, an upscale suburban village near Chicago. In 2019, Winnetka recorded 143 net move-ins. That number more than doubled in 2020 to 395. With a total population of 18,481, the COVID impact per 1,000 is 13.64 more move-ins than in 2019—one of the highest inflows nationwide.

CBRE can analyze move-in/move-out data at the county, metropolitan area and zip code levels to determine how various neighborhoods and submarkets are faring.

### FIGURE 1 | WINNETKA, ILLINOIS: MOVE-OUTS AND MOVE-INS 2020 (LEFT) AND 2019 (RIGHT)

For Winnetka, Illinois:

\[
\frac{(395-143)}{18,481} = 13.64 \text{ More Move-Ins per 1,000 Population than in 2019}
\]
The pandemic accelerated long-standing migration trends in coastal and Sun Belt markets but slowed the outflow from low-cost post-industrial cities.

At the metro level, the pandemic accelerated several long-standing migration patterns. Net move-outs from high-cost coastal cities increased. Anecdotal evidence suggests that many who left these coastal cities may return once the pandemic is over. In high-growth Sun Belt metros, such as Charlotte, Austin and Dallas, the pace of net move-ins accelerated in 2020.

Conversely, COVID-19 provided relief for some lower-cost post-industrial cities, such as St. Louis and Detroit, where the rate of net move-outs slowed.

The industrial base of many of these cities is tied to goods production and distribution, making them less amenable to remote work and forcing many residents to stay put. This contrasts with cities like San Francisco, where more high-tech industry employees can work remotely and live in places like Sacramento.
Sacramento benefited the most from the change in migration patterns

As stay-at-home mandates caused greater demand for more residential space, dense coastal cities lost some favor because of their high housing costs and lack of adjoining outdoor space.

Among the 30 largest U.S. metros, Sacramento saw the most improvement in net move-ins last year, much of it from nearby San Francisco. In 2020, Sacramento saw a gain of 0.3 per 1,000 residents, a marked improvement from its loss of 3.2 in 2019.

While migration was elevated in 2020, it constituted a relatively insignificant percentage of metro area populations. For example, the change in net move-ins to Sacramento equated to roughly half a percent of its metro area population, while the change in move-outs from San Francisco involved 1% of its metro area population.

Moves from San Francisco County to Sacramento County increased by 70% in 2020. This same pattern occurred to a lesser degree in Southern California, as Los Angeles resident moves to nearby Inland Empire rose 14%. This uptick in relatively short-distance moves contrasts with a decline in moves between high-density coastal cities. For example, address changes between San Francisco County and Manhattan declined by 23% in 2020.

Explore the underlying data in-depth: cbre.us/migration

FIGURE 3 | COVID-19 IMPACT ON MIGRATION PATTERNS
Change in net moves, 2020 vs. 2019*
The nation’s largest metros have long been a draw for households in their 20s and 30s

Historic migration patterns in the U.S. have been largely consistent, so the long-term impact of the pandemic on location decisions once vaccines are widely administered remains unclear.

Younger individuals have gravitated toward urban centers for decades, drawn by employment opportunities and unique amenities, both of which will be fully restored once the pandemic is over. As shown in Figure 4, cites like New York have long been a magnet for households in their 20s and 30s. Older individuals are more likely to leave for other metros. The draw of these urban areas is especially strong for the most educated individuals of each cohort, who generally are less constrained by high costs of living.

Reflecting these generational patterns, the pandemic came just as the bulk of the large and increasingly affluent millennial cohort had reached prime family formation age. Consequently, millennials had been trending toward more suburban residences even before COVID-19 came on the scene.

![FIGURE 4 | NEW YORK METRO POPULATION BY AGE: SELECT COHORTS](source: USPS; CBRE Research, 2021.)
For deeper insights, visit cbre.us/migration

- Explore the interactive report for more findings on COVID-19’s impact on migration patterns.
- View additional analysis of the distance, pace and demographic makeup of migration flows.
- Drill down into detailed stats for markets across the U.S.
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