

REAL ESTATE

Where are people moving? Sun Belt states are top U.S. destinations



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Even before the pandemic, Americans were moving out of the Northeast and Rust Belt and into the Sun Belt. But since the spring of 2020, the demographic trends have intensified in a way

that's reshaping housing markets.

Two large, fast-growing states, Texas and Florida, saw their combined populations expand by more than 1.5 million residents from April 1, 2020, to July 1, 2022, according to recent data from [the U.S. Census Bureau](#). In that same period, two major states with shrinking populations, New York and California, lost more than 1 million residents between them.



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Most moved-to states in the U.S.

These five states had the most rapid growth from July 2021 to July 2022, according to the Census Bureau:

- **Florida:** The Sunshine State's growth rate of 1.9 percent was driven by migration from the Northeast and Midwest. "That's an amazing pace of growth," says Ken H. Johnson, a housing economist at Florida Atlantic University. Despite [Florida's](#) surging population over the past five decades, it was the first time since 1957 that Florida had led the way in the rate of growth. From April 2020 to July 2022, Florida added nearly 707,000 residents. The state also tops Bankrate's [Best States to Retire](#) ranking.
- **Idaho:** After ranking as the fastest-growing state the previous year, Idaho slipped to No. 2 — but just barely. Its one-year pace of growth was 1.8 percent, hot on the heels of Florida's 1.9 percent. The state added nearly 100,000 residents in two years amid an influx of new arrivals from California and the Northwest.
- **South Carolina:** Its one-year pace of growth was 1.7 percent, and South Carolina's population expanded by more than 164,000 during the pandemic.
- **Texas:** The nation's second-largest state (by size), Texas' 1.6 percent growth rate translated to the largest overall number of new residents. The raw numbers are eye-popping — [Texas](#) added more than 884,000 residents in two years as metro areas such as [Dallas](#) and [Austin](#) boomed. Round Rock, just north of Austin, recently topped Bankrate's list of [Best Places to Live in the U.S.](#)

- **South Dakota:** Strong job growth in recent years translated to a 1.5 percent growth rate for the state. While geographically large, South Dakota remains a small state in terms of population: Even after adding 23,000 residents during the pandemic, its overall population is less than 1 million.

States that are shrinking the most

So where are people leaving? These five states saw their populations decline more than any others:

- **New York:** The state's population fell by 0.9 percent in the most recent year measured by the Census. Since April 2020, New York's population has declined by more than 520,000.
- **Illinois:** Amid an ongoing decline, this state's population fell by 0.82 percent. The population contracted by more than 230,000 from April 2020 to July 2022.
- **Louisiana:** Bucking the overall trend of growth in the Sun Belt, Louisiana's population fell by 0.8 percent. Through the first two years of the pandemic, its population declined by more than 67,000.
- **West Virginia:** Beset by economic struggles, West Virginia's population fell by 0.6 percent. Over the past two years, the state's population shrank by more than 18,000.
- **Hawaii:** This vacation destination was hard hit by the pandemic. Its population fell 0.5 percent, and through the pandemic, the state's population loss has topped 15,000.

While California contracted by more than 500,000 residents in two years, that state's huge number of residents means that the decline is essentially a rounding error. Its one-year pace of decline was just 0.3 percent of its overall population.

How population trends affect home prices

Population growth and migration trends are part of the complicated calculus behind [home prices](#). An influx of people into a state or city can increase demand for housing and therefore

drive up prices.

Florida is a case in point. The Sunshine State has experienced both strong population growth and robust [home price appreciation](#). The state's one-year price appreciation of nearly 23 percent through the third quarter of 2022 was highest in the nation, according to the [Federal Housing Finance Agency](#) (FHFA). (The rest of the top five are all Sun Belt states as well: South Carolina, Tennessee, North Carolina and Georgia.)

Another measure of home values tells a similar story. [Miami](#) and Tampa ranked first and second nationally in home price appreciation through November, according to the S&P CoreLogic Case-Shiller Indices. Home values in the Miami area rose 18.4 percent in the year ending in November, while Tampa Bay prices jumped 16.9 percent. The national increase was 7.7 percent.

Florida's soaring home prices have led to an [affordability squeeze](#), even if the state remains a bargain compared to higher-cost areas. "For those of us who live in Florida, it feels like it has gotten very expensive," says Brad O'Connor, chief economist at the Florida Realtors. "But if you're from New York or Los Angeles or San Francisco, it doesn't feel that way."

Florida's median home price in December was \$395,000, compared to California's \$774,580, according to each state's Realtor association.

Despite the upward trajectory of Florida's home values, population growth is far from the only driver of property prices. Consider Idaho: Its population surge continues, but Idaho ranked just 43rd nationally in home price appreciation, the FHFA says. Home prices soared so dramatically in recent years that many analysts said Idaho had become overvalued — and home values have begun to retreat there, falling 2.7 percent from the second quarter to the third quarter of last year.

By contrast, Illinois and West Virginia, two of the fastest-shrinking states, actually experienced stronger price appreciation than Idaho.

New York is another housing market bucking the population numbers. The state ranks dead last in population gains, yet home price appreciation has held firm. New York ranked 26th among states, according to the FHFA index.

Other [factors affecting home prices](#) include the local supply of homes for sale and local incomes. "It goes back to that old adage that real estate is local," says Mark Fleming, chief economist at title insurer First American. "Not all markets behave the same."

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