

BY WILLIAM H. FREY

Since the 1970s, migration within the United States largely consisted of movement from Snow Belt to Sun Belt, and from city to suburb. The former was tied largely to jobs, with the booming Southern and Western states pulling workers from the downsizing industrial North. The latter involved the quest for more space, better schools and safer streets.

Since 2000, however, another motive has come to the fore: the quest for affordable housing. There has been significant movement from large (mostly coastal) regions with cachet in terms of climate and lifestyle that have become unaffordable for middle-income Americans who did not own a dwelling before the run-up in real estate prices. These metaphorically “gated” regions include much of California’s coast and the Boston-Washington corridor, which sucked in professionals during the high-tech boom, and remained expensive places to live even after the bubble burst.

Flight from these gated regions in California stimulated housing demand in nearby markets – for example, the “Inland Empire” region east of Los Angeles, as well as close-by desert sprawls like Las Vegas and Phoenix. On the East coast, this flight has taken on two



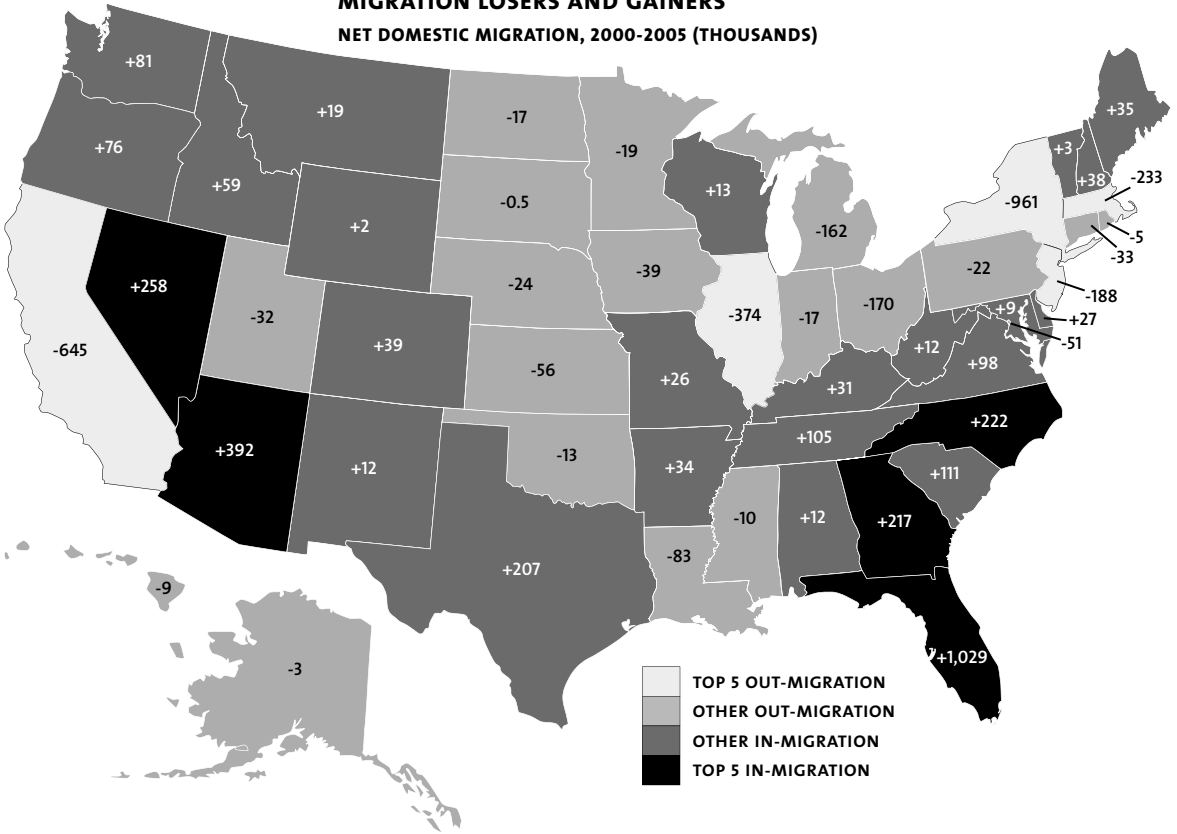
forms: movement to exurbs like Poughkeepsie and Allentown that are within extreme commuting distance of Manhattan, and accelerated migration to Southeast states including Florida, Georgia and North Carolina.

Of course, some metros are still losing residents the old-fashioned way, due to stagnant employment and wretched winters (think Detroit). Note, too, that the gated regions are not suffering population losses because they attract immigrants prepared to sacrifice space for access to service jobs. Still, the current exodus represents a new and perhaps persistent dynamic in this most peripatetic of industrialized nations.

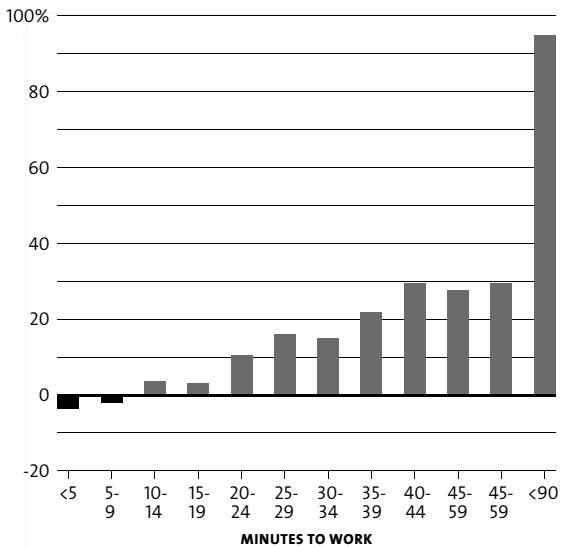
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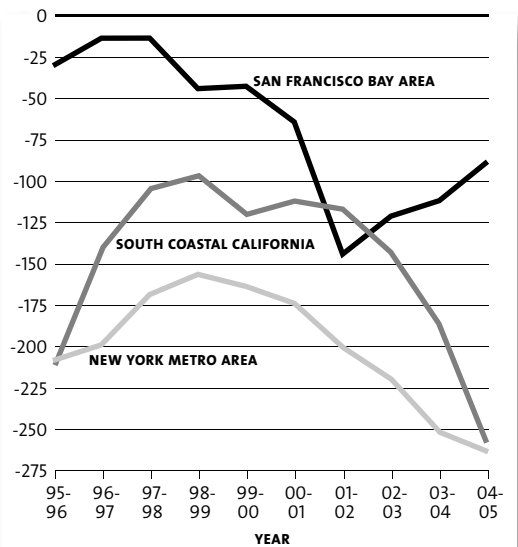
MIGRATION LOSERS AND GAINERS NET DOMESTIC MIGRATION, 2000-2005 (THOUSANDS)



RISE IN EXTREME COMMUTING PERCENT CHANGE IN NUMBER OF WORKERS BY COMMUTING TIME, 1990-2000



COASTAL EVACUATION NET MIGRATION (THOUSANDS)



TOP LOSING AND GAINING METROS

NET DOMESTIC MIGRATION, 2000-2005

| BIGGEST LOSERS | NET DOMESTIC MIGRATION | 2005 MEDIAN SINGLE FAMILY HOME SALES PRICE (1,000s) |
|------------------------|------------------------|---|
| | | U.S. OVERALL: \$219 |
| 1 New York | -1,110,695 | \$445 |
| 2 Los Angeles | -676,065 | \$529 |
| 3 Chicago | -329,311 | \$264 |
| 4 San Francisco | -298,091 | \$716 |
| 5 Boston | -218,454 | \$413 |
| 6 San Jose | -196,860 | \$745 |
| 7 Detroit | -141,751 | \$135 |
| 8 San Diego | -96,153 | \$604 |
| BIGGEST GAINERS | | |
| 1 Riverside, CA | 400,004 | \$374 |
| 2 Phoenix | 289,498 | \$247 |
| 3 Las Vegas | 207,011 | \$304 |
| 4 Tampa | 196,142 | \$205 |
| 5 Orlando | 171,444 | \$243 |
| 6 Atlanta | 170,490 | \$167 |
| 7 Sacramento | 123,377 | \$376 |
| 8 Dallas | 91,278 | \$148 |

SOURCES: William H. Frey analysis of U.S. Census sources, National Association of Realtors, and IRS migration data.

TOP COASTAL FLIGHT RECIPIENTS

NET MIGRATION FROM SELECTED COASTAL AREAS, 2000-2004

FROM SAN FRANCISCO BAY AREA

| | |
|----------------|---------|
| 1 Sacramento | -98,002 |
| 2 Stockton, CA | -63,706 |
| 3 Modesto, CA | -29,540 |
| 4 Las Vegas | -17,756 |
| 5 San Diego | -12,943 |
| 6 Phoenix | -12,846 |
| 7 Merced, CA | -10,589 |

FROM SOUTH COASTAL CALIFORNIA

| | |
|-------------------|----------|
| 1 Riverside, CA | -321,322 |
| 2 Las Vegas | -51,034 |
| 3 Phoenix | -23,315 |
| 4 Bakersfield, CA | -19,813 |
| 5 Sacramento | -10,006 |
| 6 Dallas | -7,852 |
| 7 Denver | -5,808 |

FROM NEW YORK METRO AREA

| | |
|--------------------|---------|
| 1 Miami | -82,028 |
| 2 Poughkeepsie, NY | -45,348 |
| 3 Orlando, FL | -42,183 |
| 4 Philadelphia | -39,526 |
| 5 Tampa | -32,738 |
| 6 Allentown, PA | -32,249 |
| 7 Atlanta | -28,821 |

