

The Great Reshuffling to the Sunbelt: Not Just a Flash in the Pan

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EXECUTIVE SUMMARY

Pull factors continue to steer people and employers toward the Sunbelt, and we believe momentum will persist for many markets that have experienced consistent growth trends over the past decade.

- The Sunbelt still leads. From 2020–2024, Texas and Florida metros led 25–44 population gains, with annualized growth broadly consistent with the prior five years.¹
- What is powering it? Corporate relocations and expansions, local job creation, relative housing affordability, and lifestyle preferences—all amplified by remote and hybrid work trends.
- Looking ahead: Markets with above average increases in living and housing costs are likely to moderate the pace of in-migration. We expect growth trends to continue toward markets that balance attractive pull factors with housing choice and affordability.

THE GREAT RESHUFFLING TO THE SUNBELT: NOT JUST A FLASH IN THE PAN

Recent population growth and migration have powered meaningful changes in commercial real estate values, and the past decade has made the destination of choice clear: the Sunbelt. Net domestic migration, layered on top of natural growth, helped to shift population and pricing power toward metros across the Southeast, Texas, and the Mountain West.

Over the last five years, four factors have done much of the heavy lifting: business relocation, local job creation, housing affordability, and lifestyle preferences, each shaped by the normalization of remote and hybrid work. Together, we believe these factors accelerated trends that already were underway pre-pandemic.

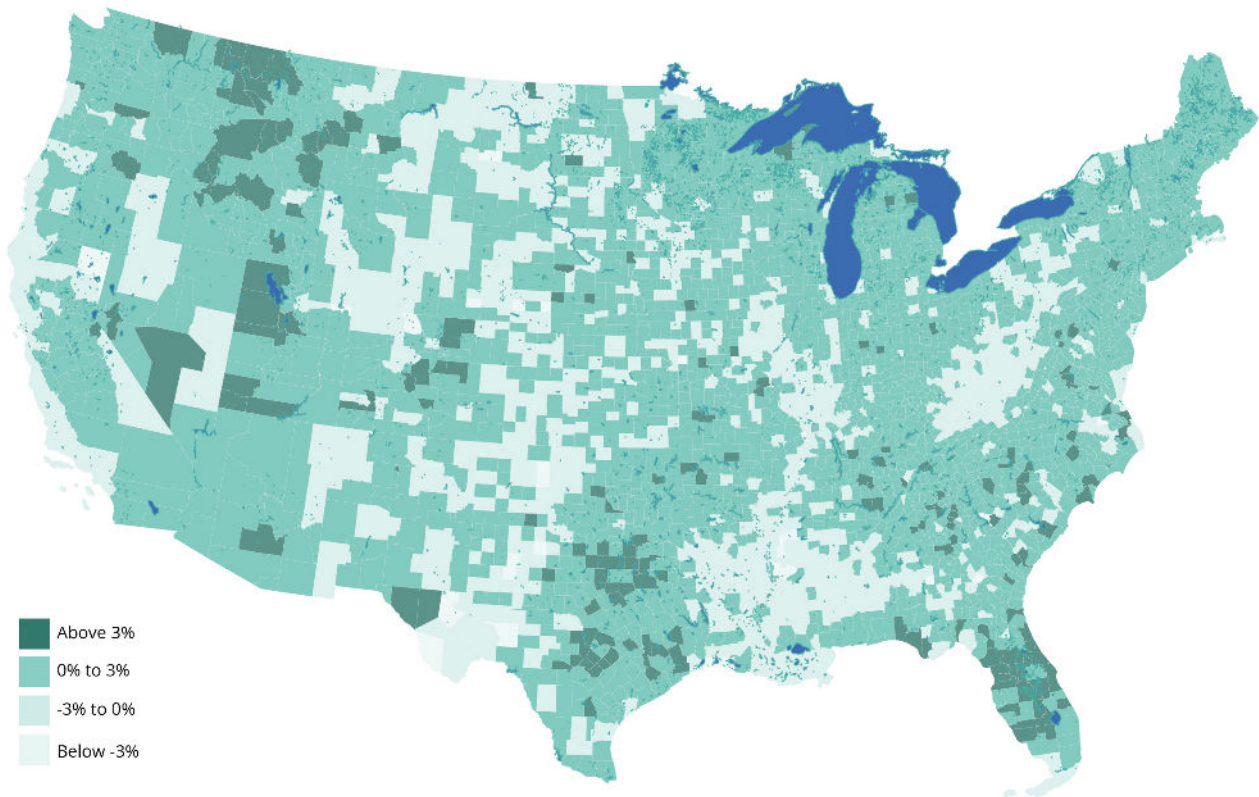
Our internal analysis indicates that from 2020–2024 the Sunbelt sustained robust growth among adults aged 25–44—the prime working and household formation cohort.¹ Among the 50 largest U.S. markets, metros in Texas and Florida led this expansion, and their annualized growth rates remained broadly consistent with the prior five-year period. In simple terms, “the Great Reshuffling” looks durable, not episodic.

Why has this persisted? Over the past decade, a rising share of companies—especially in technology, finance, and manufacturing—have relocated or expanded into lower cost, business friendly Sunbelt markets. Favorable tax and regulatory regimes, expanding talent pools, and infrastructure modernization have reinforced that momentum, creating virtuous cycles of investment and employment growth.

We see signs that housing has been another decisive variable. Survey data from Development Counsellors International underscores that housing costs and supply rank among the most important lifestyle factors influencing where people move.²

Looking ahead, markets with above average increases in living and housing costs are likely to moderate the pace of in-migration. We expect growth to continue the trend toward more affordable, well-connected markets where pro housing policy, available land, and improving infrastructure can accommodate demand.

Annualized Growth in Population Aged 25-44 Between 2020-2024³



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ENDNOTES

¹ U.S. Census Bureau, County Population by Characteristic: 2010, 2014, 2015, 2019, 2020, and 2024.

² Development Counsellors International, Talent Wars, May 2025.

³ U.S. Census Bureau, County Population by Characteristic: 2010, 2014, 2015, 2019, 2020, and 2024.

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