

Domestic Migration Shifts of Northern Virginia

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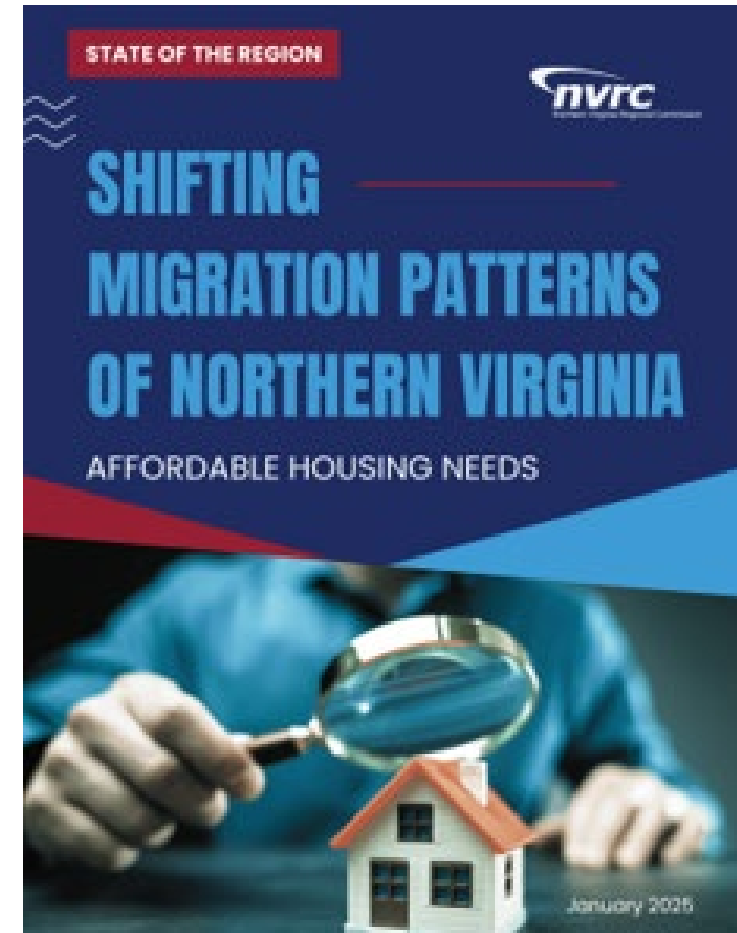


February 11, 2025

MWCOG Cooperative Forecasting and Data Subcommittee

Agenda

- Background on Domestic Migration Shifts Pre- and Post-Pandemic
- Impact on the Population and Local Communities
- Volume of Migration In and Out
- Demographics Shaping Migration
- Housing Affordability Impact



Report Overview and Purpose

Foundational Information

Widely reported that the majority of people moving out of large, high-cost metropolitan areas, including Northern Virginia are:

- Lower cost of living
- More affordable housing
- Young first-time home buying

This pattern was occurring pre-pandemic but the pandemic accelerated it

NVRC Report

Three unreported elements on Northern Virginia answered through the NVRC research:

- Volume of in- and out-migration
- Specific destinations of movers
- Volume and extent to which housing affordability, income, and age are playing a role in migration

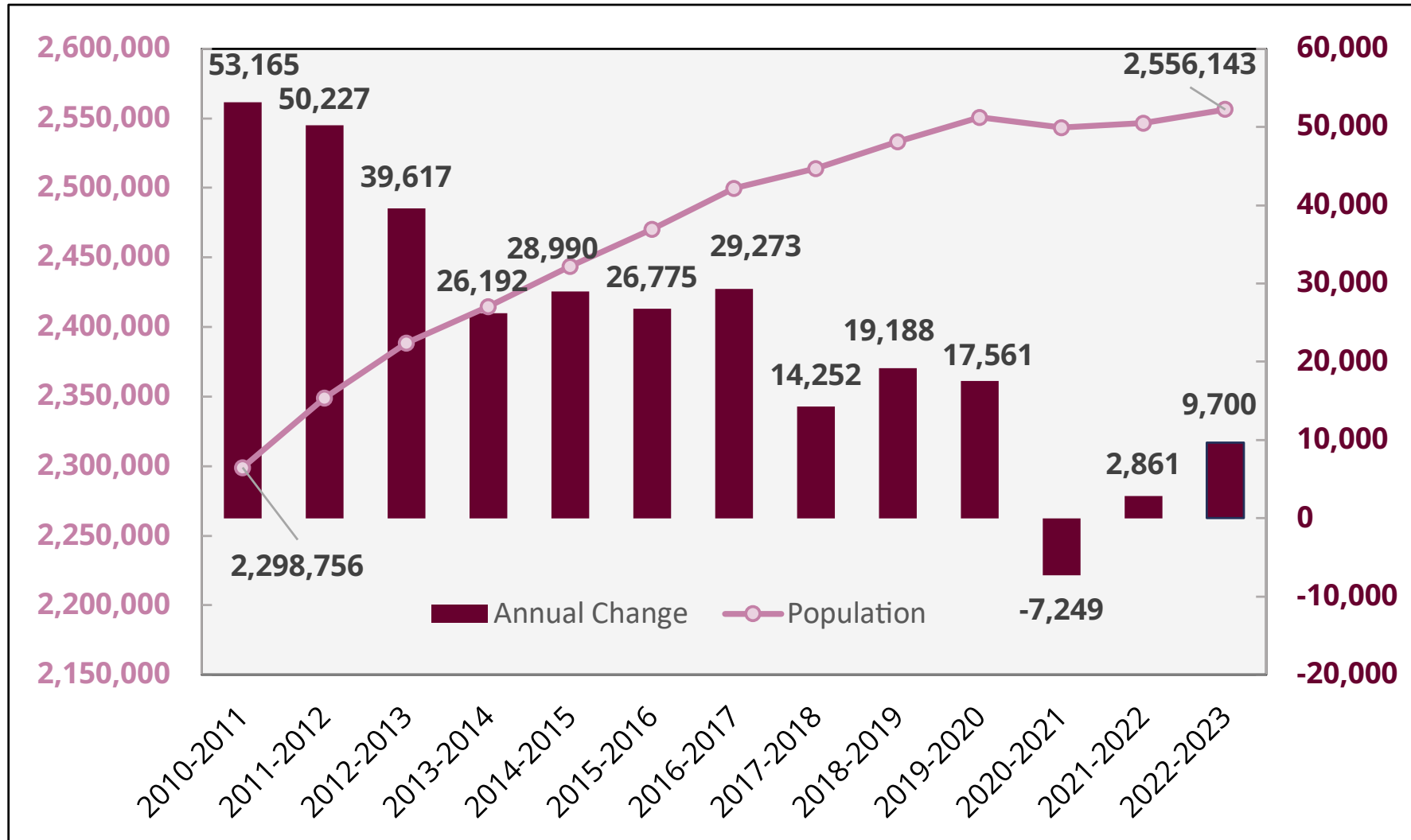
Key Highlights and Impacts of NOVA Migration Shifts

- Rise of remote & hybrid work has led to affordable, quality living conditions being prioritized over proximity to work
- High living costs drive and keep young-adult workers away
- Illuminates the urgent need for middle-income attainable homes for first-time home buyers
- Amplifies the need for businesses struggling to retain and attract young, talented workers to continue offering remote or hybrid work, upskill employees, and higher wages
- Forgone tax revenue
- Social inequality – widening income gap between young adults & older adults

**Slower
employment
growth:
compared to
more affordable
competing
regions**

**Slower
population
growth**

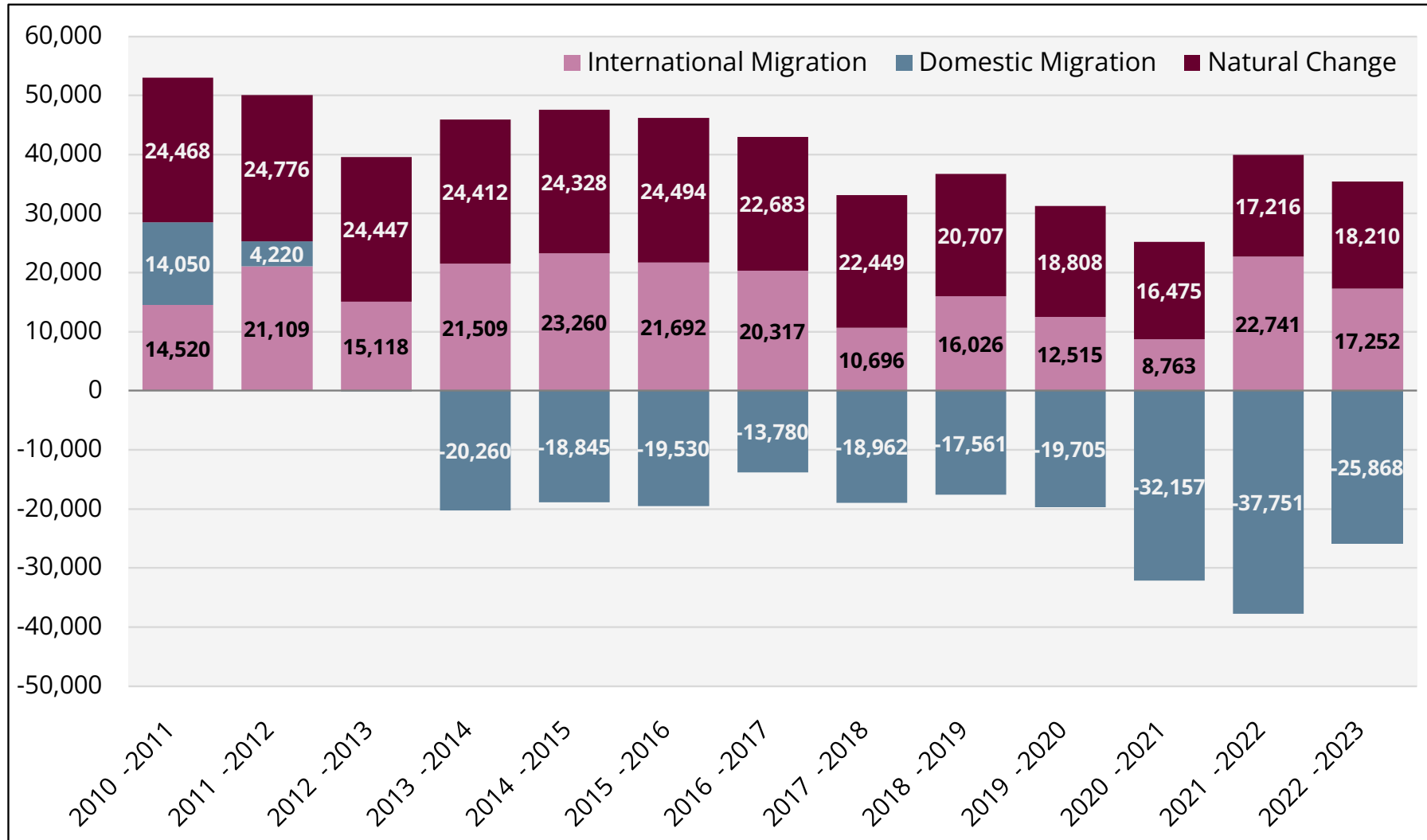
Slower Population Growth



Sources: U.S. Census Bureau, Population Estimates Program, Vintage 2020 (2010-2019) and Vintage 2023 (2020-2023).

Note: Population represents July 1 of the later year listed. Population change values represent annual change from July 1 of each year.

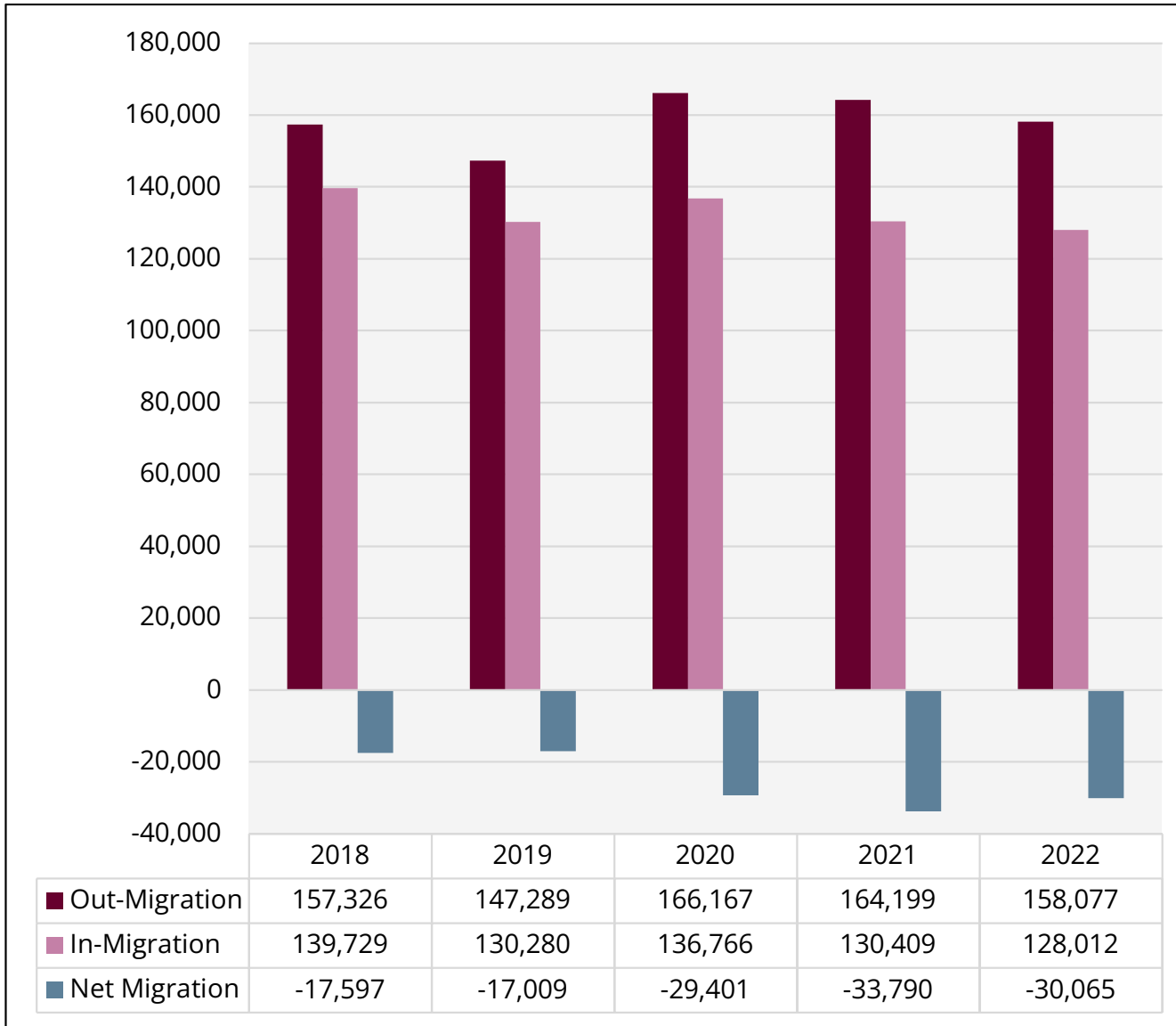
Population Components of Change



Sources: U.S. Census Bureau, Population Estimates Program, Vintage 2020 (2010-2019) and Vintage 2023 (2020-2023).

Note: Population represents July 1 of the later year listed. Population change values represent annual change from July 1 of each year.

Domestic Population Migration of Tax Filers



Out-Migrant Population

- 2020: Reached a high of 166,167
- 2022: Returned to the pre-pandemic levels

In-Migrant Population

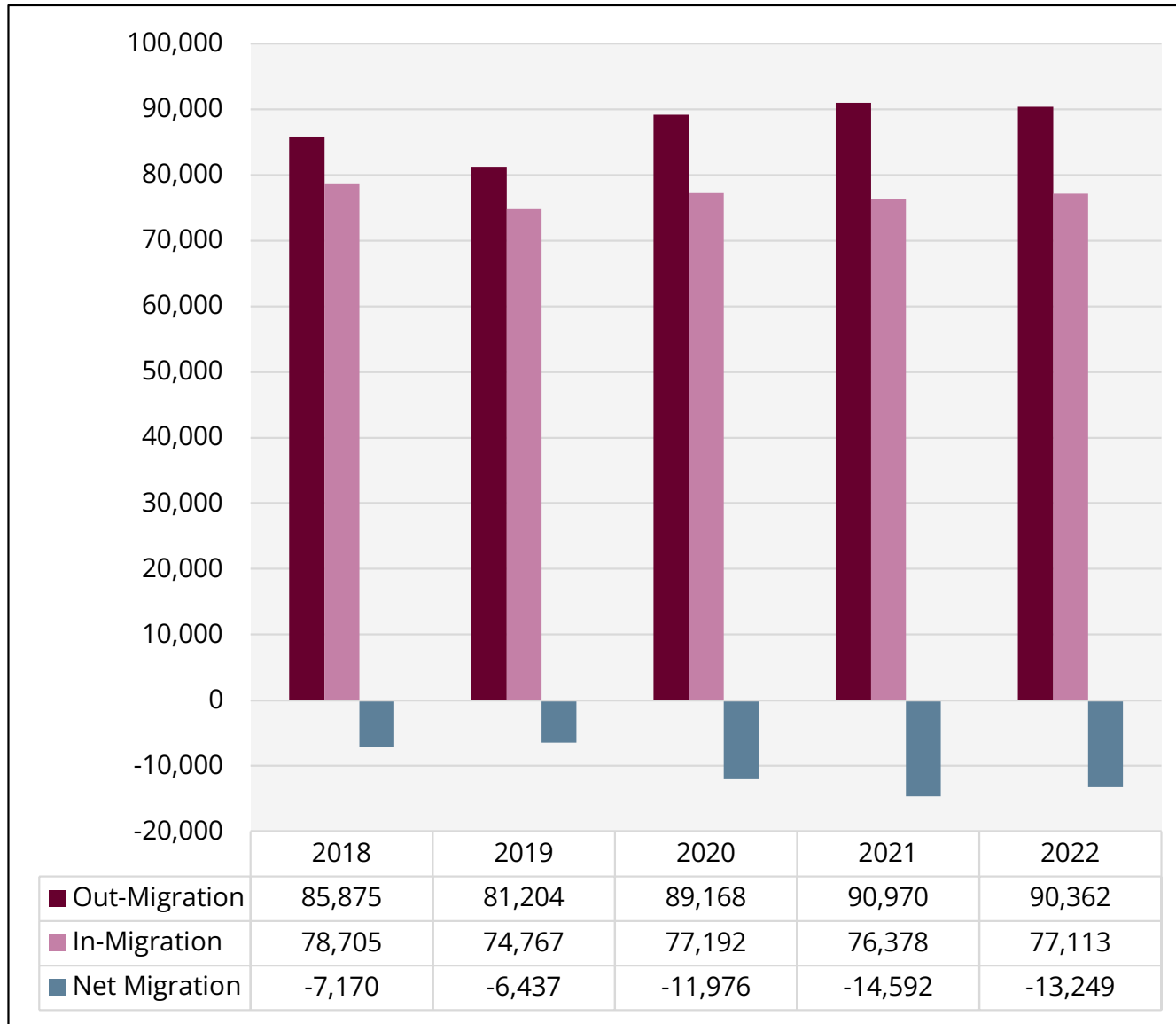
- Trending down since 2018
- 2022 reaching a low of 128,012

Net Migrant Population

- Ensuing elevated negative net domestic migration attributable to fewer people migrating into the region

Sources: IRS, *County-to-County Migration Data*, 2017-2018 to 2021-2022.

Domestic Household Migration of Tax Filers



Out-Migrant Households

Pre-Pandemic: 81,000 to 86,000

Pandemic and Post-Pandemic:

- Elevated and steady since 2020
- Approximately 90,000

In-Migrant Households

Relatively steady pre- and post-pandemic

Net Migrant Households

IRS data trends are consistent with Census Bureau, double the volume of pre-pandemic years.

Demographic Characteristics Shaping Migration



- Income

- Higher income levels are more likely to move long-distance and be career-based moves
- Lower income levels often move short-distance for more affordable housing

- Age

- Younger individuals are more likely to migrate
- Older individuals tend to be less mobile and have settled down in a community

- Household Size

- Larger households face more challenges in migrating
- Smaller households find it easier to migrate

Young Adults Mobility Driving NOVA Migration Shifts

Highest Mobility and Lowest Earnings

- Young adults ages 44 and under
- Lowest average earnings among adult working age groups

Consistent Net Loss Since 2018

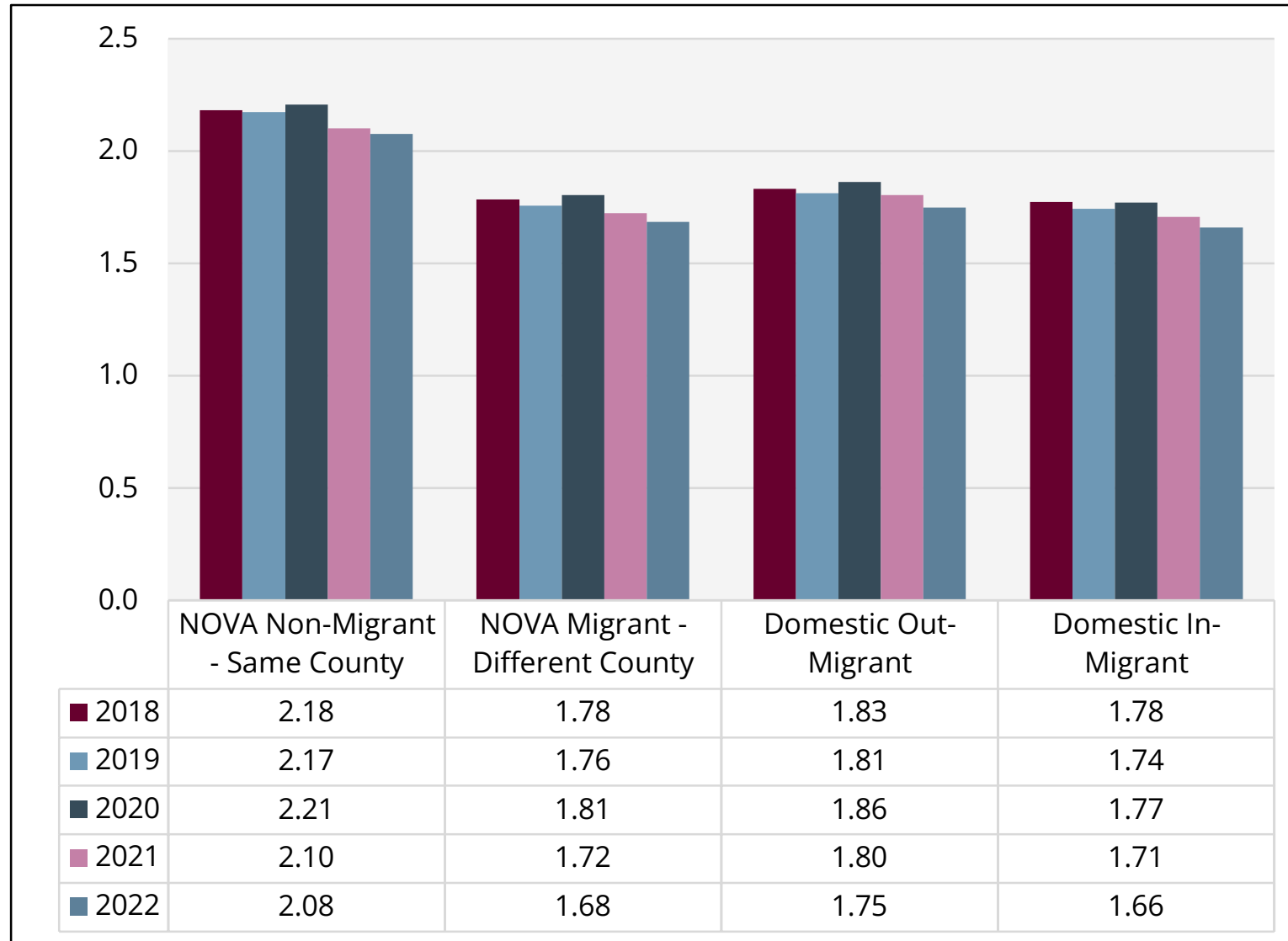
- Net loss of migrant householders ages 30 to 44
- Declining share of ages 18 to 29 remaining in Northern Virginia

Reasons for Losses

- Lack of affordable housing for first-time home buyers
- Households seeking larger spaces for families

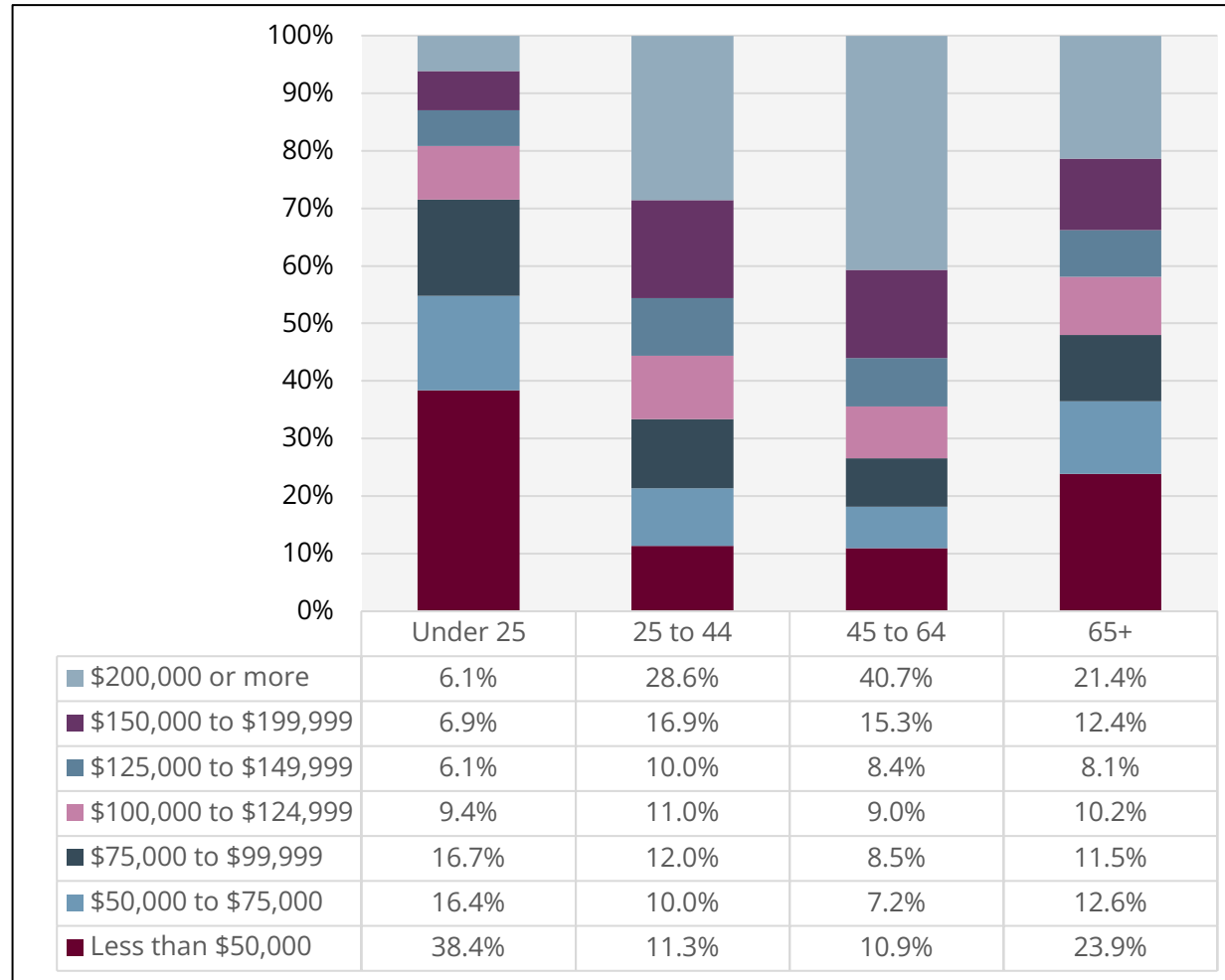


Average Household Size of Tax Filers



Sources: NVRC analysis of IRS, *County-to-County Migration Data*, 2017-2018 to 2021-2022.

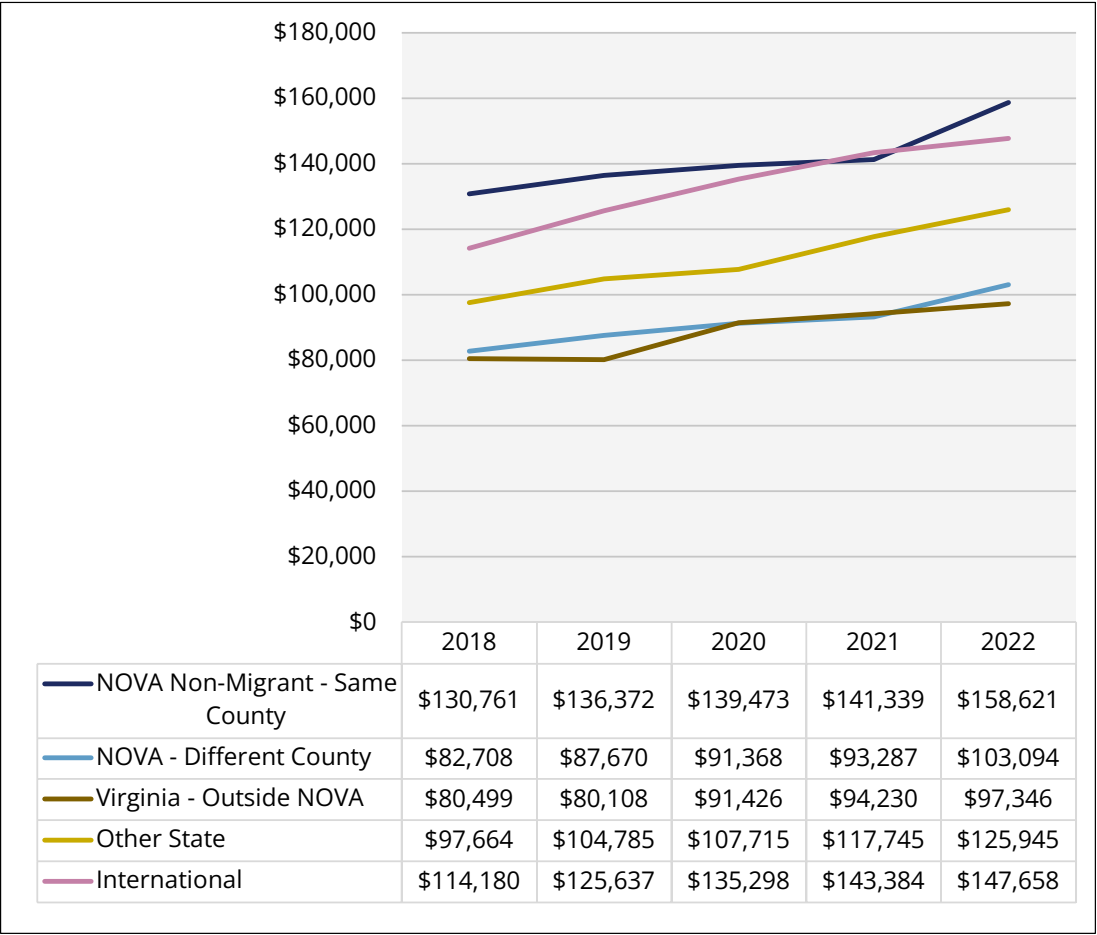
Age of Householder by Household Income



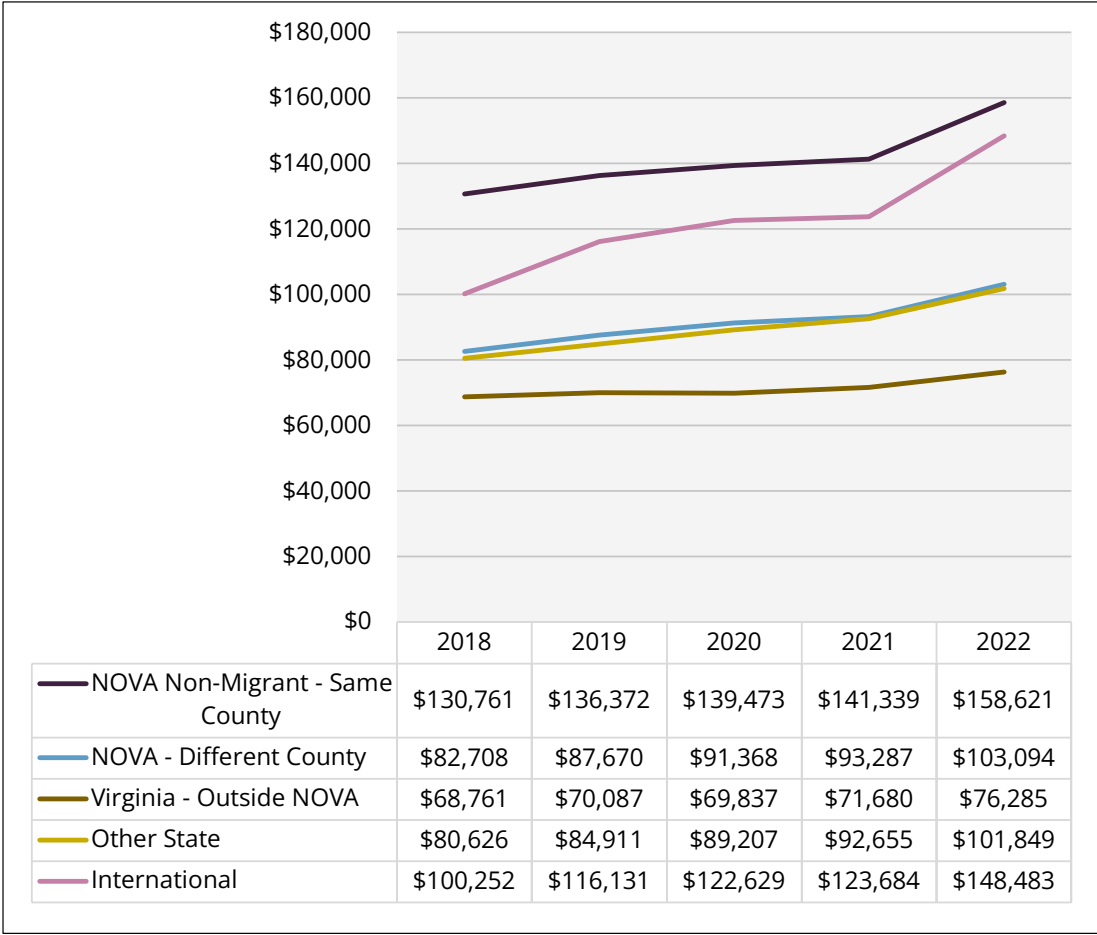
Source: U.S. Census Bureau, 2022 American Community Survey, 5-Year Estimates, Table B19037.

Average Adjusted Gross Income of Tax-Filing Households

Out-Migrant Destinations



In-Migrant Origins

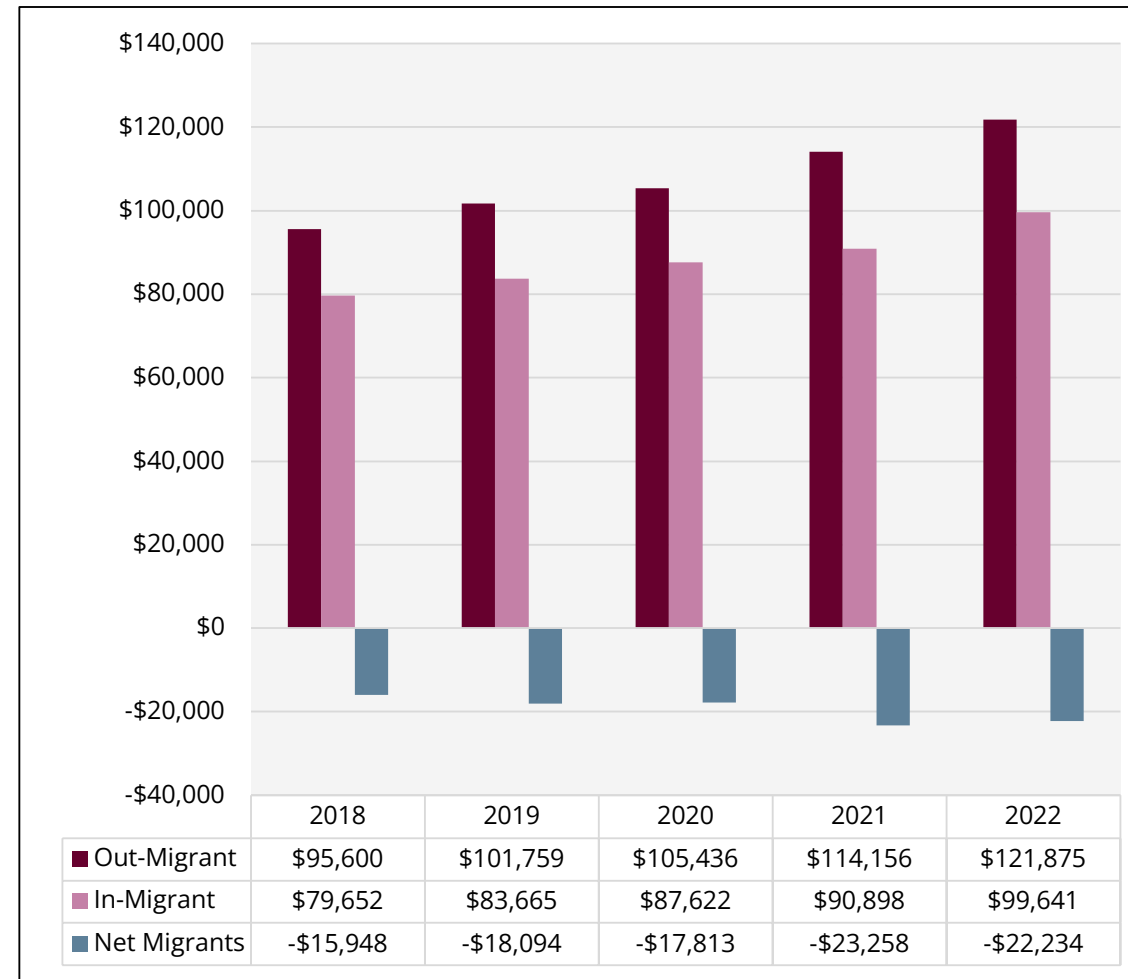


Sources: NVRC analysis of IRS, *County-to-County Migration Data*, 2017-2018 to 2021-2022.

Note: Income is in nominal dollars (not inflation adjusted). The year listed represents the tax filing year.

Average Adjusted Gross Income of Tax-Filing Households

Net Migrants

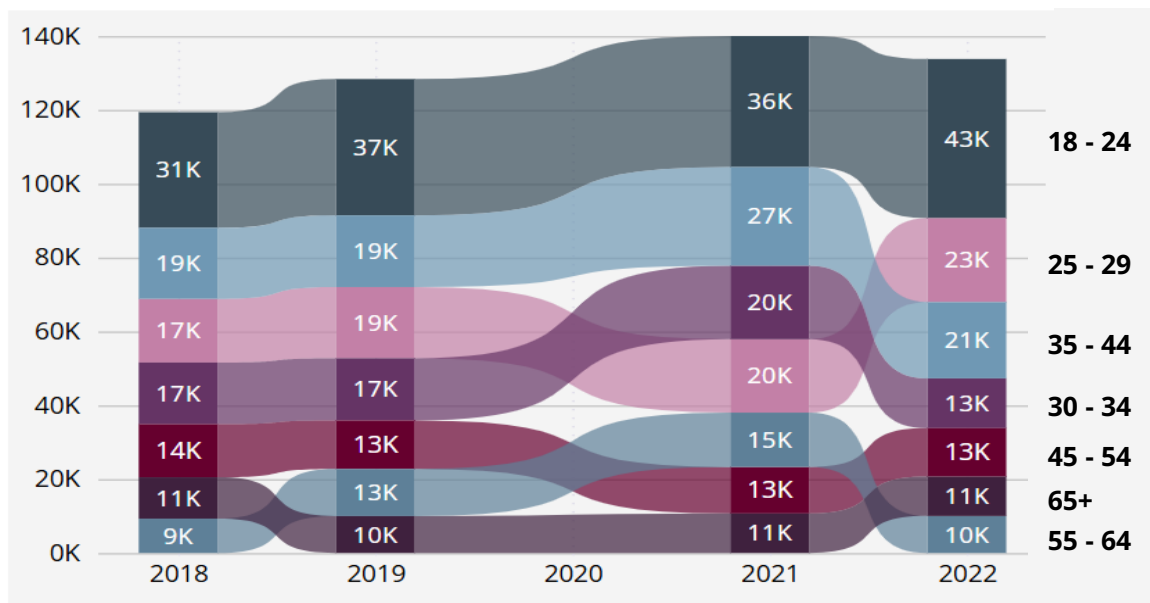


Sources: NVRC analysis of IRS, *County-to-County Migration Data*, 2017-2018 to 2021-2022.

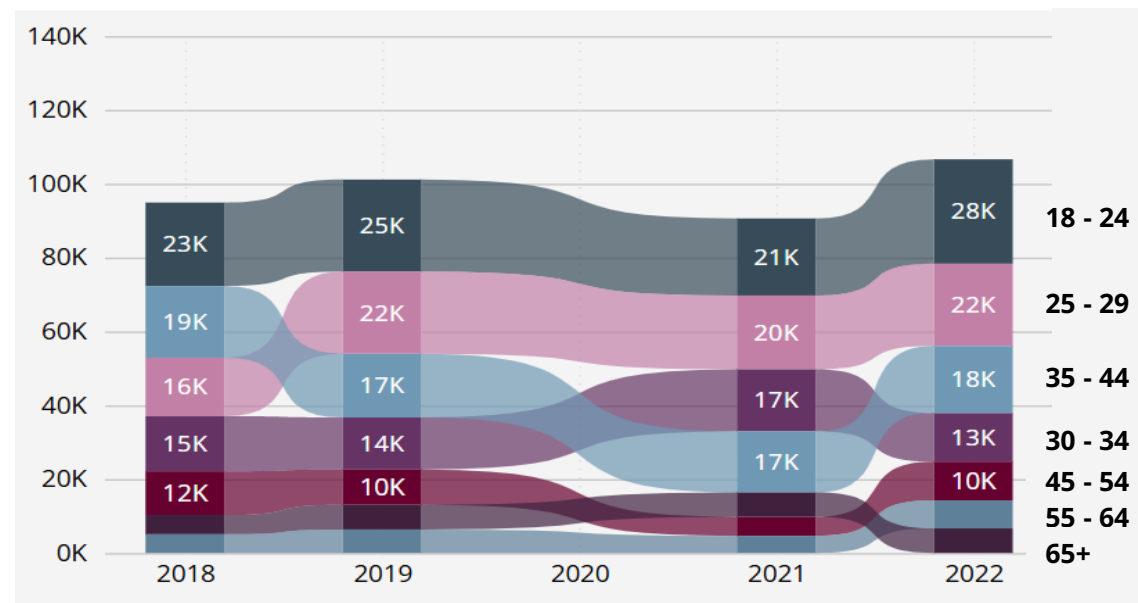
Note: Income is in nominal dollars (not inflation adjusted). The year listed represents the tax filing year.

Domestic Migrating Population by Age

Out-Migration



In-Migration



Sources: NVRC analysis of U.S. Census Bureau, *2018-2022 American Community Survey, 1-Year Estimates*, downloaded from University of Minnesota, *IPUMS USA*, www.ipums.org.

Home Values

County/City	Bottom-Tier Zillow	Mid-Tier Zillow		Median ACS	Median Rank ACS
Falls Church City	\$743,498	\$1,114,067		\$1,005,400	12
Arlington County	\$436,326	\$802,433		\$864,800	17
Loudoun County	\$546,134	\$771,233		\$701,000	39
Fairfax County	\$490,191	\$737,839		\$699,700	40
Fairfax City	\$511,323	\$732,007		\$696,800	42
Alexandria City	\$344,299	\$664,000		\$677,400	45
Prince William County	\$426,244	\$561,503		\$500,600	105
Manassas City	\$340,692	\$469,431		\$434,700	171
Manassas Park City	\$359,000	\$437,422		\$381,200	259
USA	\$191,875	\$350,909		\$303,400	--

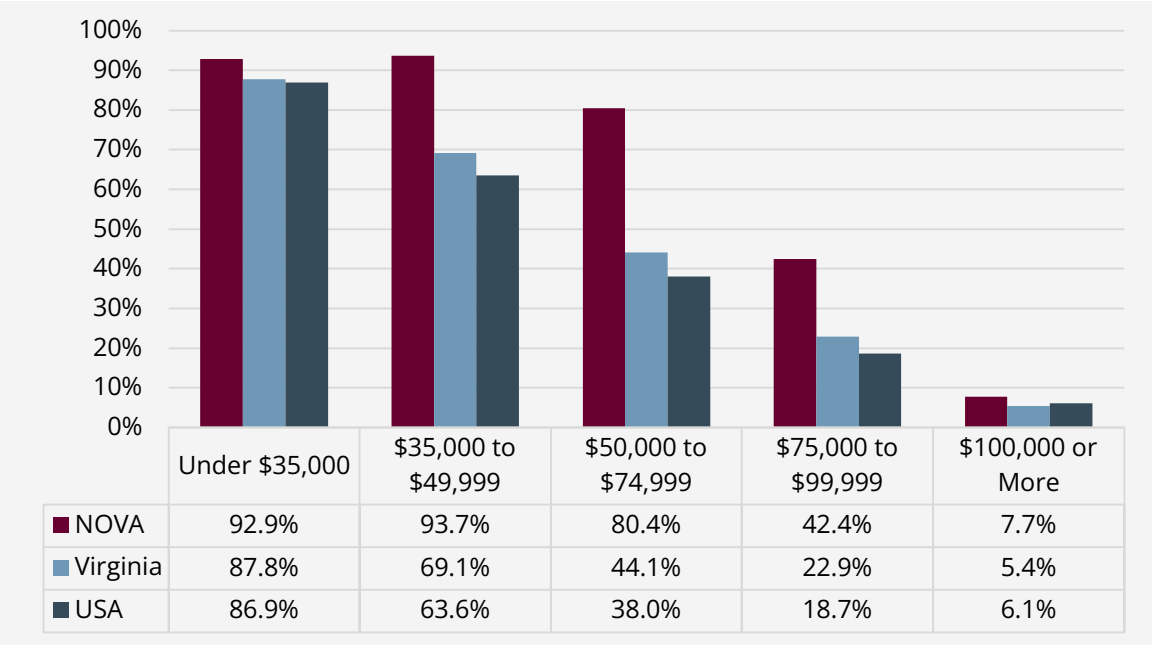
Sources: Zillow, *Zillow Home Value Index - September 31, 2024*, retrieved November 25, 2024;

U.S. Census Bureau, *2023 American Community Survey (ACS) 5-Year Estimates*, Table B25107.

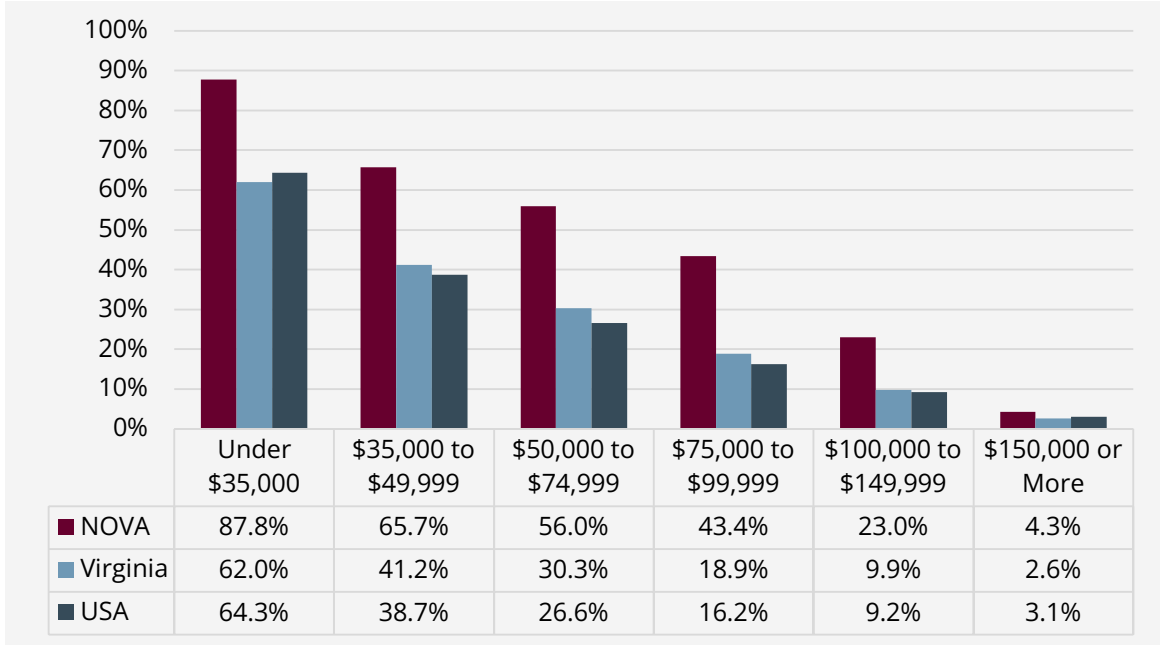
- Housing costs driving people out of the region, particularly the young adults, and keeping people from moving here in greater amounts
- Bottom-tier home values (0 to 35th percentile) in Northern Virginia are out of reach for many first-time home buyers
- Mid-tier home values: 35th to 65th percentile

Households with Cost Burden by Household Income

Renter



Owner



Source: U.S. Census Bureau, 2022 American Community Survey, 5-Year Estimates, Table B19037.

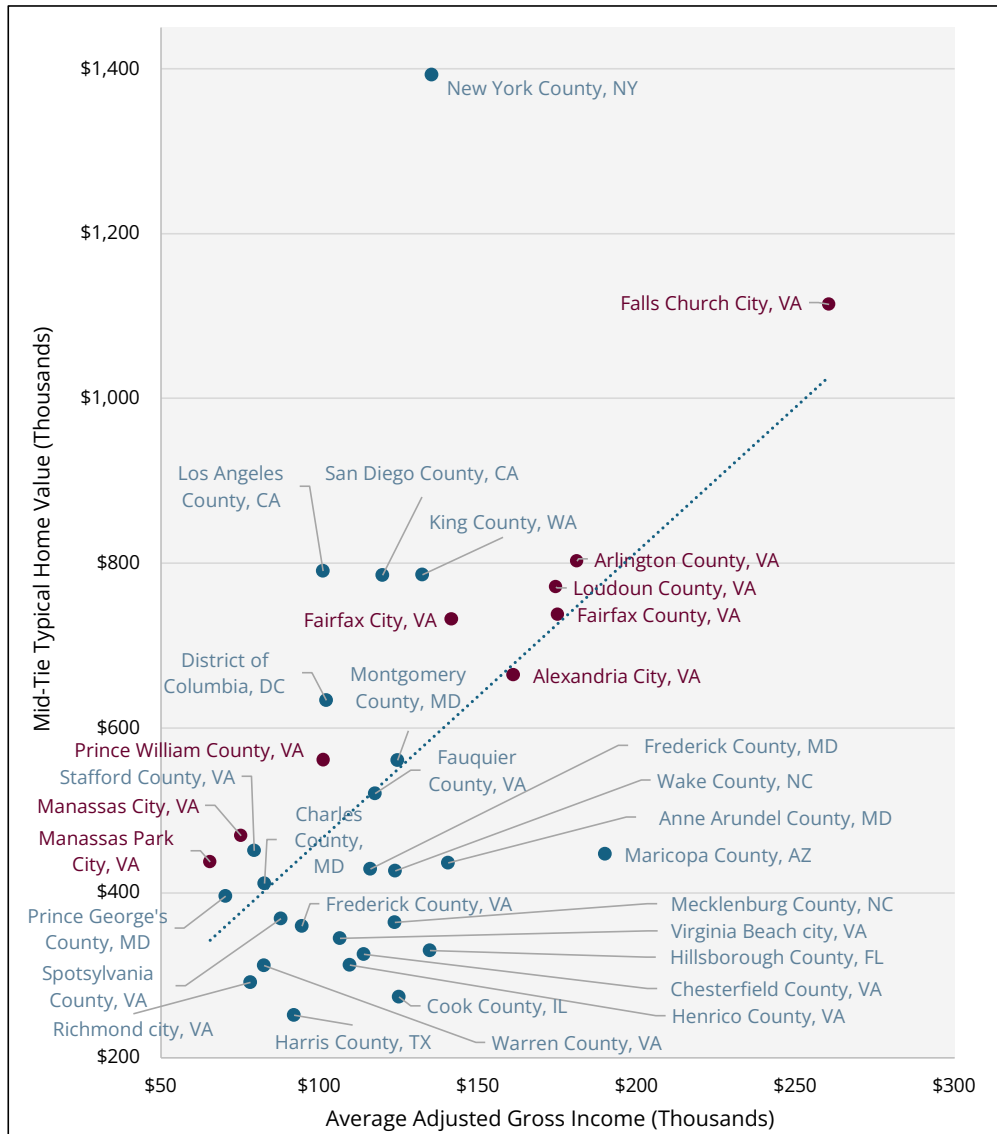
Top Destination of Out-Migrants

2020 to 2022 Rank	Destination County (County Equivalent)	Destination Metropolitan/ Micropolitan Area	2017 to 2019 Households Migrating	2020 to 2022 Households Migrating	# Change	% Change
1	District of Columbia, DC	Washington, DC	10,569	8,613	-1956	-19%
2	Stafford County, VA	Washington, DC	4,687	5,819	1132	24%
3	Montgomery County, MD	Washington, DC	5,963	5,260	-703	-12%
4	Prince George's County, MD	Washington, DC	6,353	4,995	-1358	-21%
5	Fauquier County, VA	Washington, DC	2,393	2,778	385	16%
6	Spotsylvania County, VA	Washington, DC	1,730	2,705	975	56%
7	Los Angeles County, CA	Los Angeles, CA	1,801	1,732	-69	-4%
8	Frederick County, VA	Winchester, VA	1,140	1,698	558	49%
9	Richmond city, VA	Richmond, VA	1,319	1,697	378	29%
10	Anne Arundel County, MD	Baltimore, MD	1,514	1,671	157	10%
11	San Diego County, CA	San Diego	1,664	1,537	-127	-8%
12	New York County, NY	New York, NY	1,307	1,528	221	17%
13	Wake County, NC	Raleigh, NC	1,169	1,307	138	12%
14	Frederick County, MD	Washington, DC	831	1,304	473	57%
15	King County, WA	Seattle, WA	1,281	1,249	-32	-2%
16	Henrico County, VA	Richmond, VA	901	1,177	276	31%
17	Cook County, IL	Chicago, IL	1,120	1,123	3	0%
18	Hillsborough County, FL	Tampa, FL	925	1,121	196	21%
19	Mecklenburg County, NC	Charlotte, NC	991	1,080	89	9%
20	Chesterfield County, VA	Richmond, VA	719	1,069	350	49%
21	Virginia Beach city, VA	Virginia Beach, VA	936	1,054	118	13%
22	Charles County, MD	Washington, DC	854	1,024	170	20%
23	Warren County, VA	Washington, DC	735	1,009	274	37%
24	Harris County, TX	Houston, TX	793	995	202	25%
25	Maricopa County, AZ	Phoenix, AZ	897	969	72	8%

- Shift in Relocation Preferences
 - Enabled by remote and hybrid work arrangements
 - Post-pandemic changes in moving patterns
- Decrease in Moves to Costly Inner Urban Areas
 - Washington D.C.
 - Prince George's County, MD
 - Montgomery County, MD
- Increase in Moves to Affordable Ex-urban Areas
 - Spotsylvania County, VA (56% increase)
 - Frederick County, VA (49% increase)
- Flexible Work Arrangements
 - Workers trading shorter commutes for affordable housing

Sources: NVRC Analysis of IRS, *County-to-County Migration Data*, 2017-2018, 2018-2019, 2021-2022, and 2021-2022; Zillow, *Zillow Home Value Index*, retrieved November 25, 2024.

AGI vs. Home Value: 25 Top Destinations vs Non-Migrants



Relocation Trends

- NOVA jurisdictions above 45-degree line
- Majority of destinations below 45-degree line indicating affordability
- Lower and middle-income households moving to affordable areas
- Exceptions: NYC, LA, San Diego, Seattle driven by career changes
- Shift from urban areas to affordable suburbs and rural areas
- Interconnection of housing costs, income levels, and relocation decisions

Sources: NVRC Analysis of IRS, *County-to-County Migration Data*, 2021-2022;
Zillow, *Zillow Home Value Index*, retrieved November 25, 2024.

Summary of Findings and Solutions

- Migration Patterns and Young Workforce Concerns
 - Young adults with low and middle incomes are moving to places with more affordable housing options outside the region
 - High living costs and limited availability of affordable/attainable housing are driving this trend
 - Region is becoming less attractive to young talent, which is and likely will continue to hinder population and employment growth
- Business Challenges
 - Difficulty in attracting and retaining young talent due to cost of living
 - Need for businesses to offer hybrid work options and upskill employees for higher-paying jobs
- Solutions for a Sustainable Future
 - Strengthen and expand housing programs for middle-income, especially first-time home buyers
 - Speeding up housing construction by overhauling lengthy zoning and permitting processes
 - Governments and businesses should partner to address housing affordability issues