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## **Freddie Mac Research Shows U.S. Population in the South and West Growing, Particularly in the Suburbs**

**MCLEAN, Va. (January 28, 2021)** – [Freddie Mac](#) (OTCQB: FMCC) today released its latest [Insight](#), showing U.S. population in the South and West grew seven times faster than in the Northeast and Midwest between 2017 and 2019. In the South, the population growth is mainly attributed to net migration, while in the West, natural increase (more births than deaths) is the main catalyst. Within the South, Texas, Florida, and Georgia have witnessed the most increases in population. In the West, it's Arizona, Washington, and Nevada.

“Freddie Mac has a keen interest in understanding not only how recent demographic trends have unfolded, but also how those trends will shape the future of housing demand,” said Sam Khater, Freddie Mac’s Chief Economist. “Our mission to provide liquidity, stability, and affordability to the nation’s housing market can only be accomplished with a strong understanding of the long-term changes that have been taking place with respect to demographics.”

Through careful study of historical data, this research highlights which regions and metropolitan statistical areas (MSAs) have been gaining population, as well as what factors are driving these geographic trends.

### **Insight Highlights:**

- U.S. population growth has been slowing for decades, but the slowdown has been more pronounced in recent years. As of 2019, the annual population growth rate was the lowest since 1918, at 0.48%. The slowdown in the growth rate was driven by declining natural increase (birth rates contributing 22%,

death rates contributing 7%) and declining net migration (contributing 71%). COVID-19 will likely exacerbate this trend in 2020.

- U.S. population growth in the South and West grew seven times faster than in the Northeast and Midwest between 2017 and 2019. In 2019, the population growth rate, year-over-year, was 0.81% in the South and 0.66% in the West. But these regions have different drivers of population growth. In the South, population growth is mainly driven by domestic migration, while in the West, growth is mostly driven by natural increase (more births than deaths).
- A majority (60%) of MSAs are experiencing more growth in the suburbs than in cities. In 2019, suburbs grew at an annual growth rate of about 0.7% while cities grew at less than half that rate (0.3%).
- Dallas, TX (1.2 million), Houston, TX (1.1 million), and Phoenix, AZ (0.7 million) have had the largest *absolute* growth in population over the past ten years. A comparison of the 10-year and 3-year absolute growth in population shows that Houston, TX, Washington, DC, and Miami, FL are among the MSAs that fell in ranking. Meanwhile, the following MSAs have maintained or improved their absolute growth ranking:
  - Atlanta, GA
  - Austin, TX
  - Seattle, WA
  - Orlando, FL
  - Tampa, FL
  - Charlotte, NC
  - Las Vegas, NV
- Population in some of the smaller and medium-sized MSAs has been growing faster in *percent* terms than the larger MSAs. Over the past ten years, the top three MSAs with the fastest growth are The Villages, FL (40.5%), Myrtle Beach, SC (31.3%), and Austin, TX (28.9%).
- When looking at the components of change in population (natural increase vs. migration) of the top ten MSAs with the fastest population growth, only the

Washington, DC metro area had a faster growth due to natural increase (more births than deaths). The rest of the top ten MSAs had population increases due to net migration.

- An analysis of the factors such as population, per capita income, and per capita housing stock suggests that its mostly per capita income that has led to the increase in house prices. Housing stock increases can help reduce house price appreciation. Surprisingly, population changes may not directly contribute much to house price growth.

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