

LOCATION MATTERS: WHERE AMERICA IS MOVING

Nearly half of all American households plan to move at some point in the future. While some will move for a larger or nicer home, or perhaps to purchase a home for the first time, three out of every four movers report that a location consideration is a reason for moving. While, in many ways, our world has become more connected and distance seems to matter less — when it comes to our homes, at least, location seems to matter as much as ever.

So what are people moving closer to, or further from? And where will they go? The fact is, when most Americans move, they won't go very far. We've heard more people are moving closer to city centers and are seeking denser, more walkable living. But while some city centers have thrived in recent years, most Americans will continue to live in the suburbs. However, the suburbs are far from homogenous and are becoming more racially and economically diverse; some suburbs are thriving while others are not.

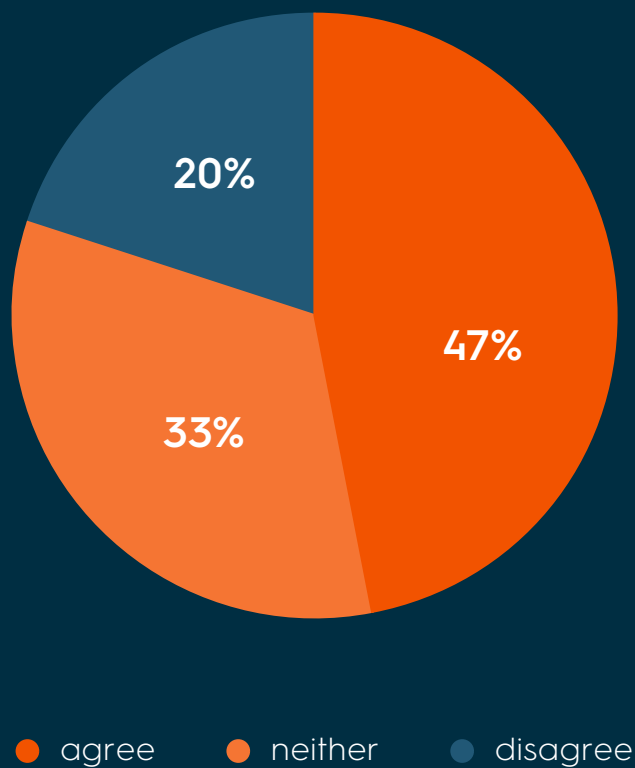
The Demand Institute surveyed more than 10,000 households about their current living situation and what's important to them in a home and community, as part of a broader effort to understand where future home and community demand is headed. We learned that location still matters — but in radically different ways to different people.

Please click the arrow to the right to view our findings.

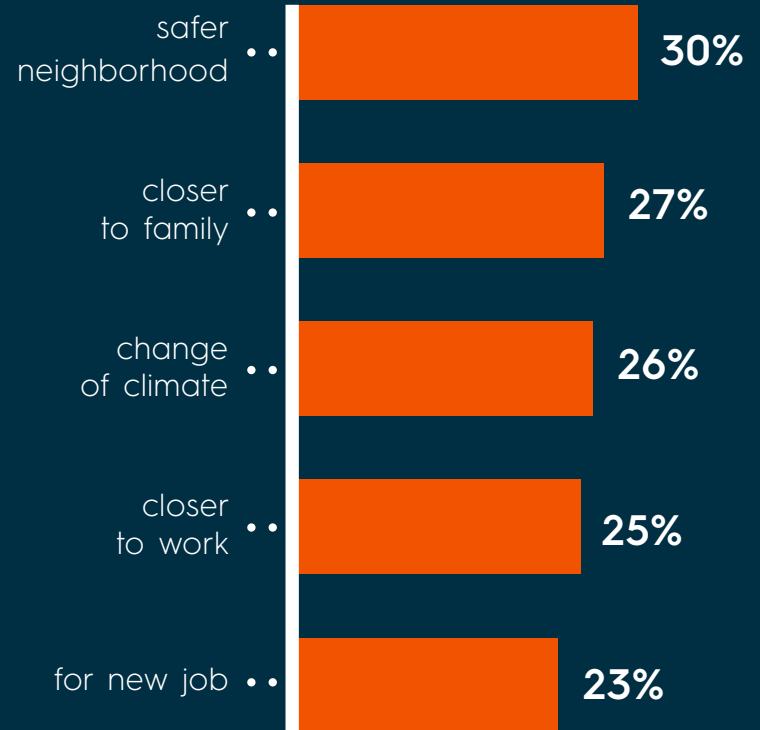
LOCATION, LOCATION, LOCATION

For most Americans, the location of their home is as important as or even more important than the physical home itself. So it's not surprising that location-related reasons play a critical role in the decision on when and where to move: 75% cite one or more location-related reasons for why they are planning to move.

"The location where I live is more important than the home itself"

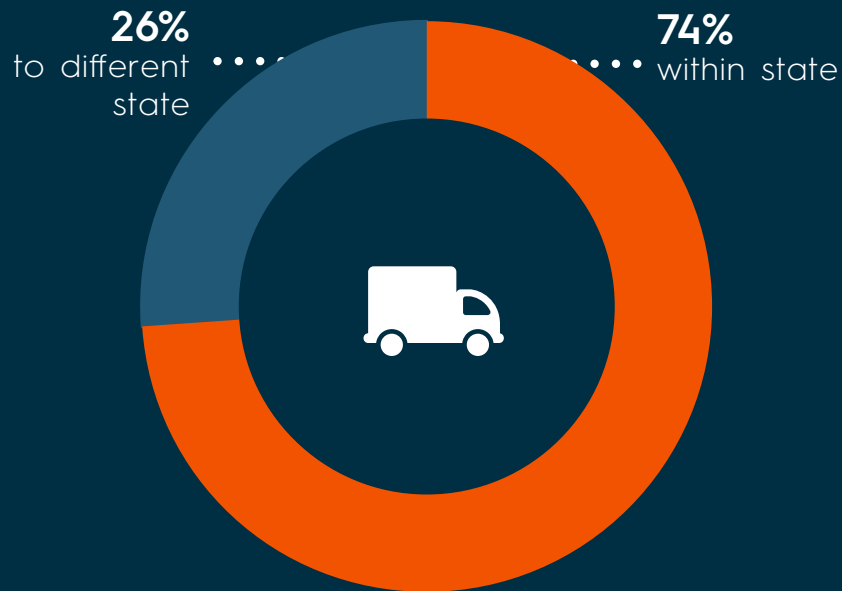


Top Location-Related Reasons to Move

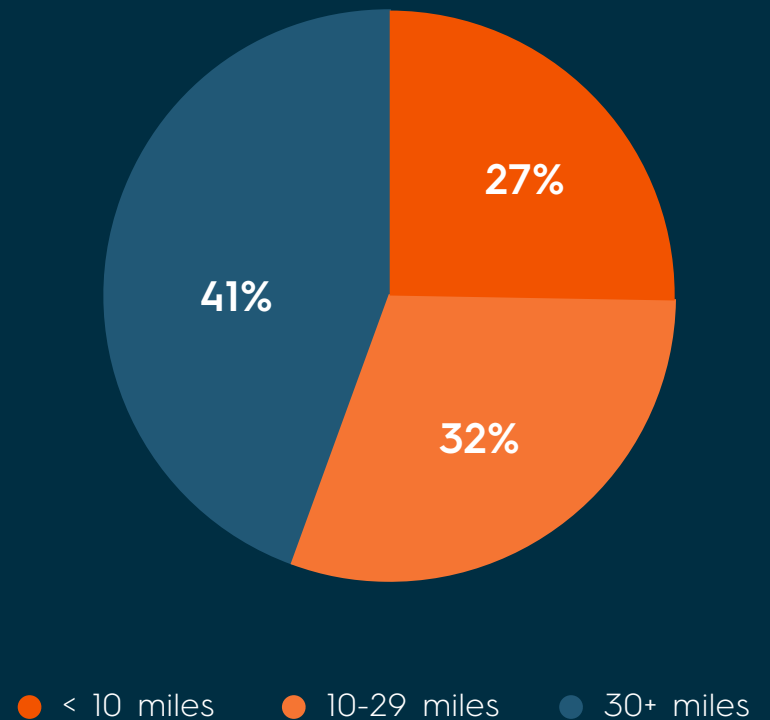


NOT GOING FAR

While location plays an important role in housing decisions, most movers will stay in state, and more than half (59%) will move within 30 miles of their current home. In fact, the percentage of movers going out of state is down 30% since 2000 — in part, due to structural changes in labor markets and the prolonged economic weakness across the country that followed the Great Recession.



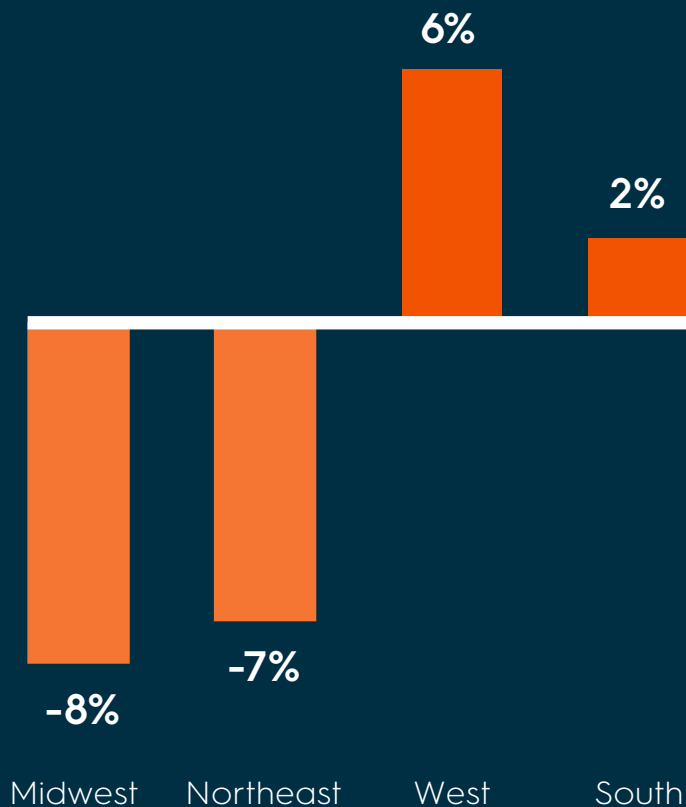
Distance of Next Move
(All Movers)



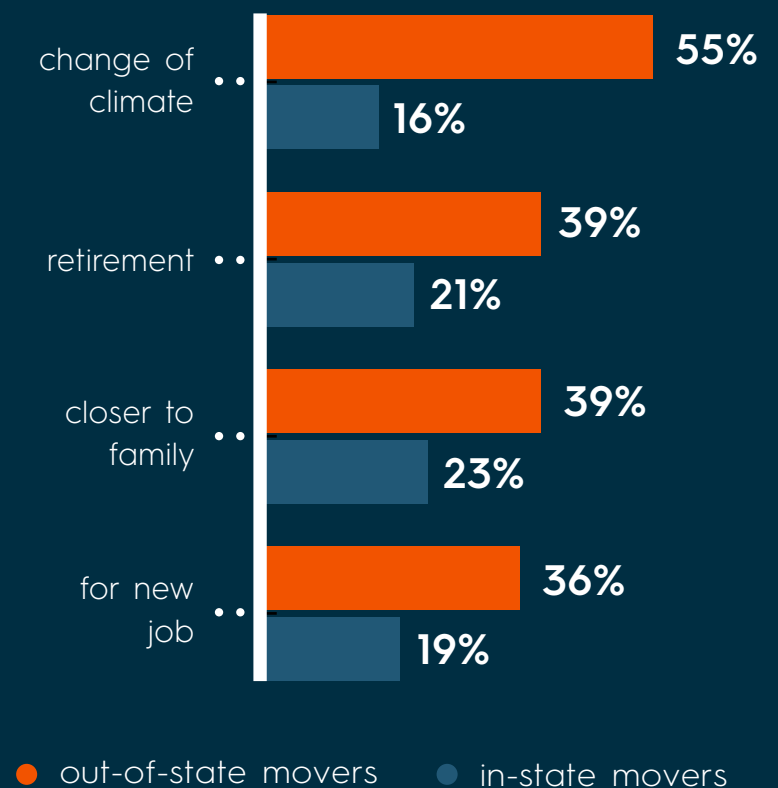
A CHANGE OF CLIMATE

For those who will move out of state, the western and southern United States will continue to gain movers. Out-of-state movers cite a “change of climate” and “retirement” as top reasons for doing so, although reasons for relocation are numerous.

Net Change in Existing Households
(Domestic Moving Households)



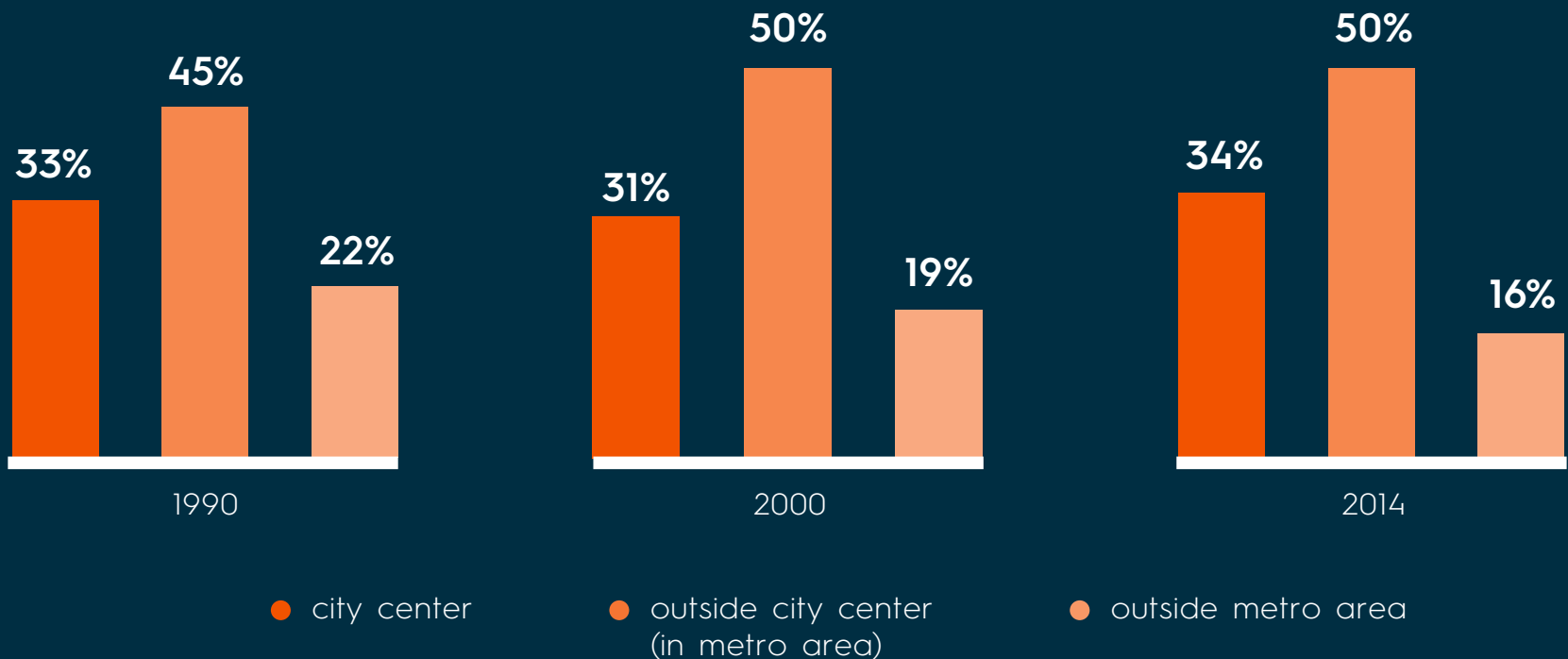
Key Reasons
to Move Out of State



MORE METRO

A greater share of the population is living in one of the nation's 381 metropolitan areas, (which include both urban and suburban neighborhoods), while the proportion of the population living in rural areas has declined since 1990. Cities have fared well more recently, comprising a larger share of the population, perhaps in part because more Americans are renting these days. Since 2006, the United States has added more than 5 million renter households.

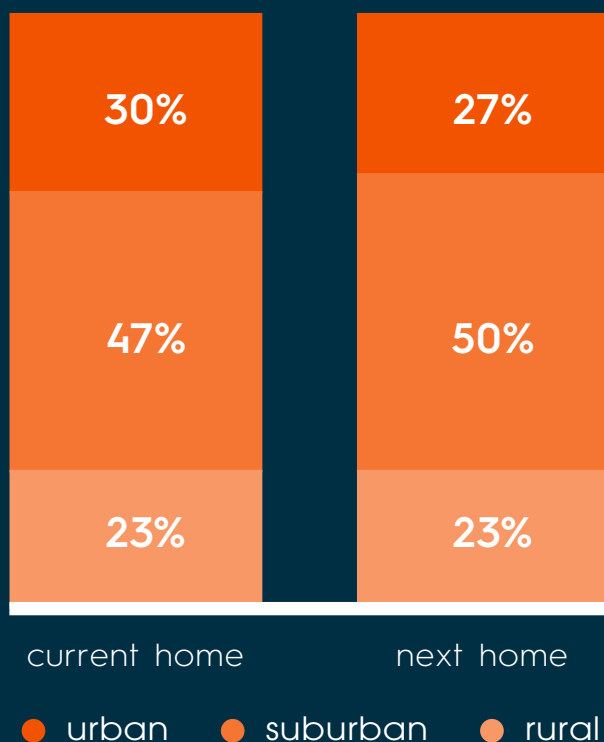
Location Moved to
(Moving Households)



A SUBURBAN NATION

While housing demand has increased in some dense/urban markets, most households currently live in an area they describe as the “suburbs” and will stay there when they move. Additionally, more movers indicate they will be moving farther from the city, rather than closer, in search of bigger, more affordable homes, as well as safer neighborhoods.

Next Home Location
(All Movers)



23% farther from city

59% same distance

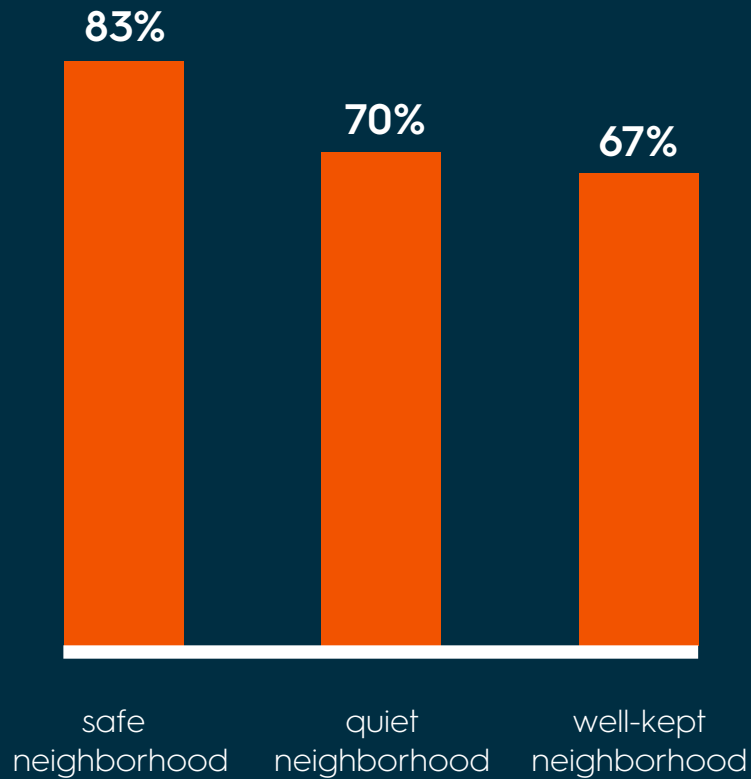
18% closer to city



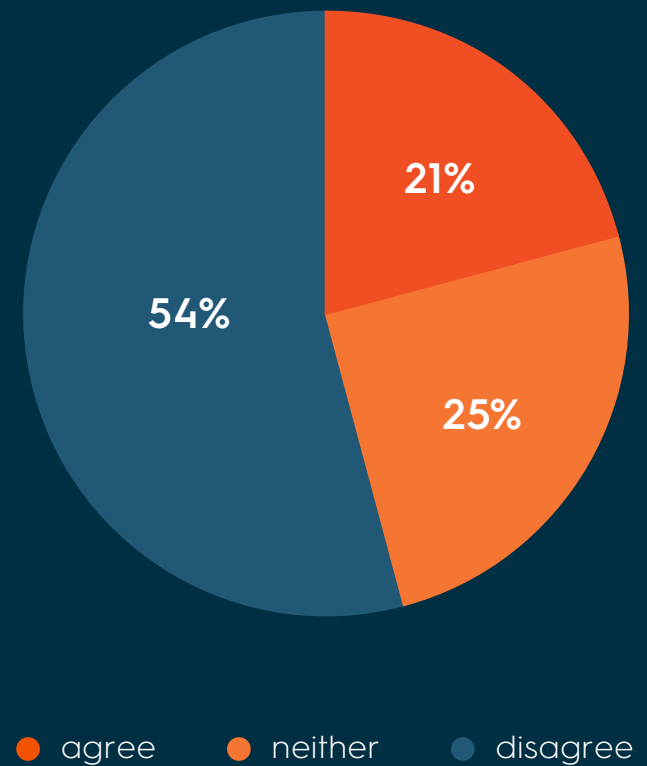
SAFETY FIRST

That suburban demand remains strong is directly tied to a perception of what constitutes a safe neighborhood. The ideal location for most movers is in a place where they feel safe, where it is quiet and well-maintained. As reported [previously](#), “safe neighborhoods” is a top unmet housing need for many Americans. And one in five reports that their neighborhood is becoming less safe, despite significant declines in crime going back to the early 1990s.

Most Important Location Characteristics
(% Very Important)



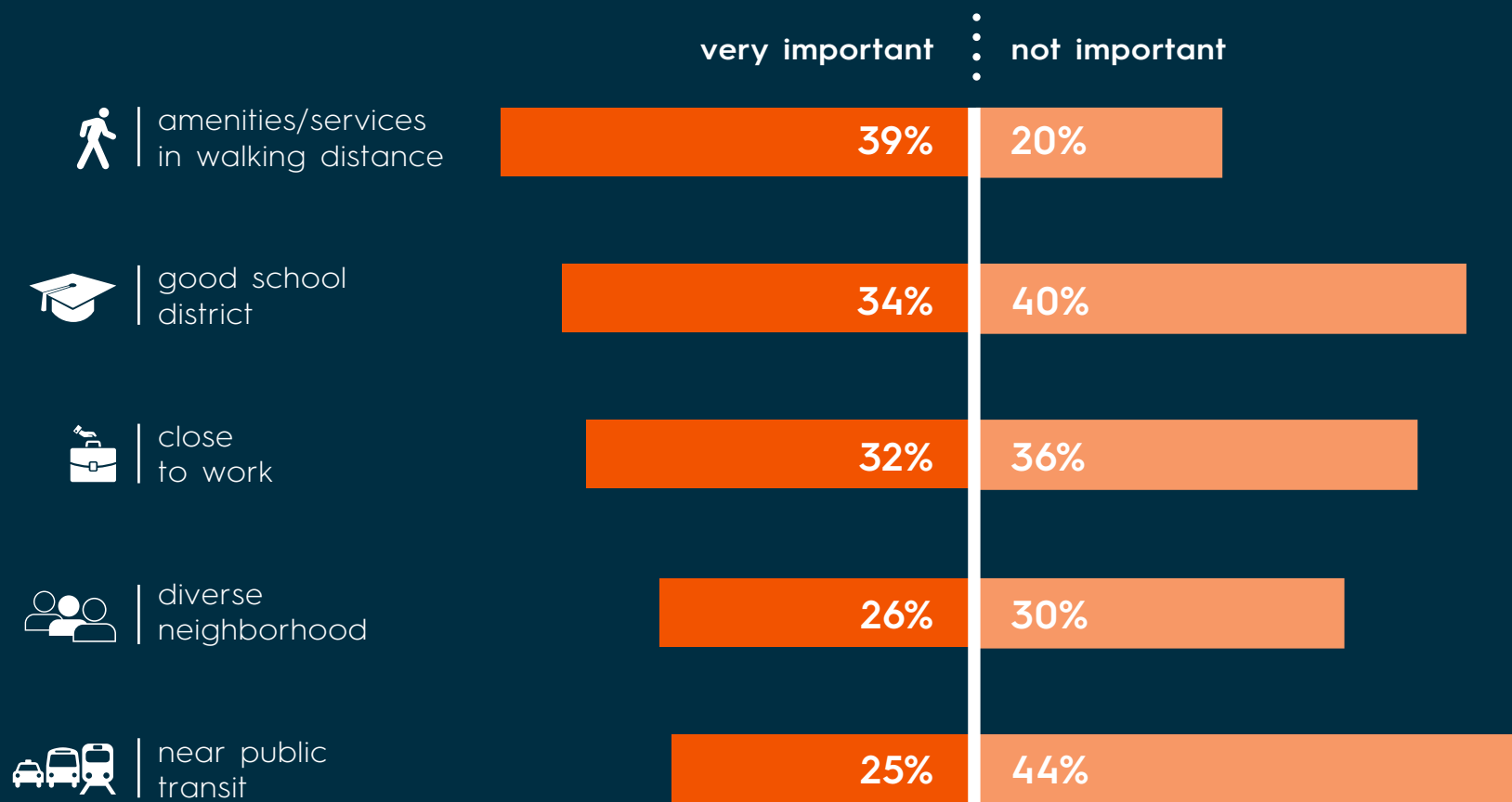
"My neighborhood has become less safe in recent years"



OTHER PRIORITIES VARY

While safe streets matter to most everyone, other location-related priorities vary greatly across the population and can be polarizing. Those with school-age children care about good schools; those in the workforce want to be close to their job; others want to be in walkable areas near entertainment, services and public transit; and some prefer not to be too close to anything at all.

Importance of Location Characteristics

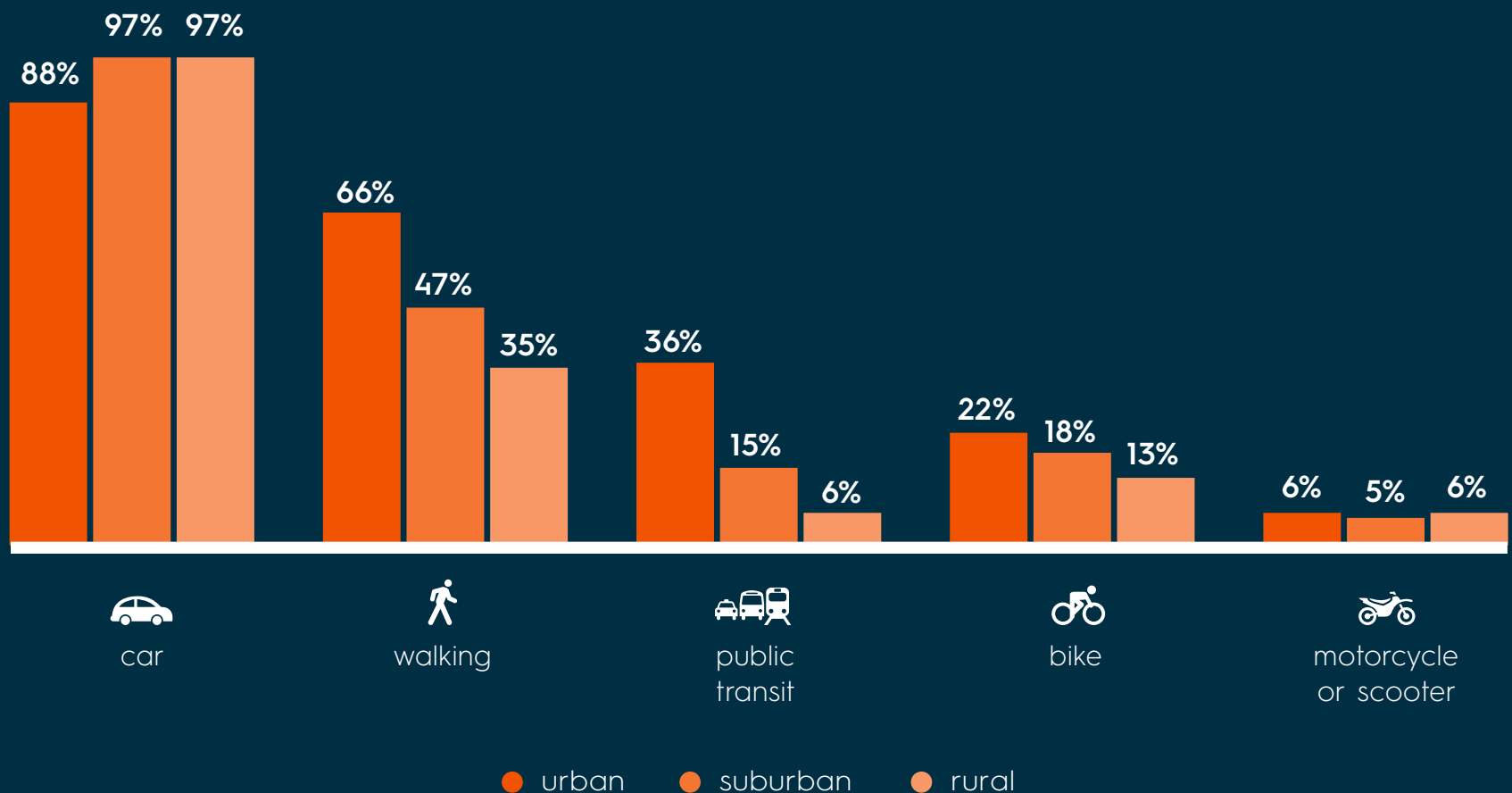


*Note: Respondents rated the importance of each characteristic using a 10-point scale; "very important" represents those selecting 8-10 and "not important" represents those selecting 1-3.
Source: 2013 Demand Institute Housing & Communities Survey*

LET'S TAKE A RIDE

Many location decisions are driven by transportation and commuting needs. The car remains – by far – the most dominant transportation mode in urban, suburban and rural areas. But nearly half (49%) of Americans report walking to places in their community at least once a month, affirming many desire some level of walkability. Meanwhile, public transit is utilized most in urban areas.

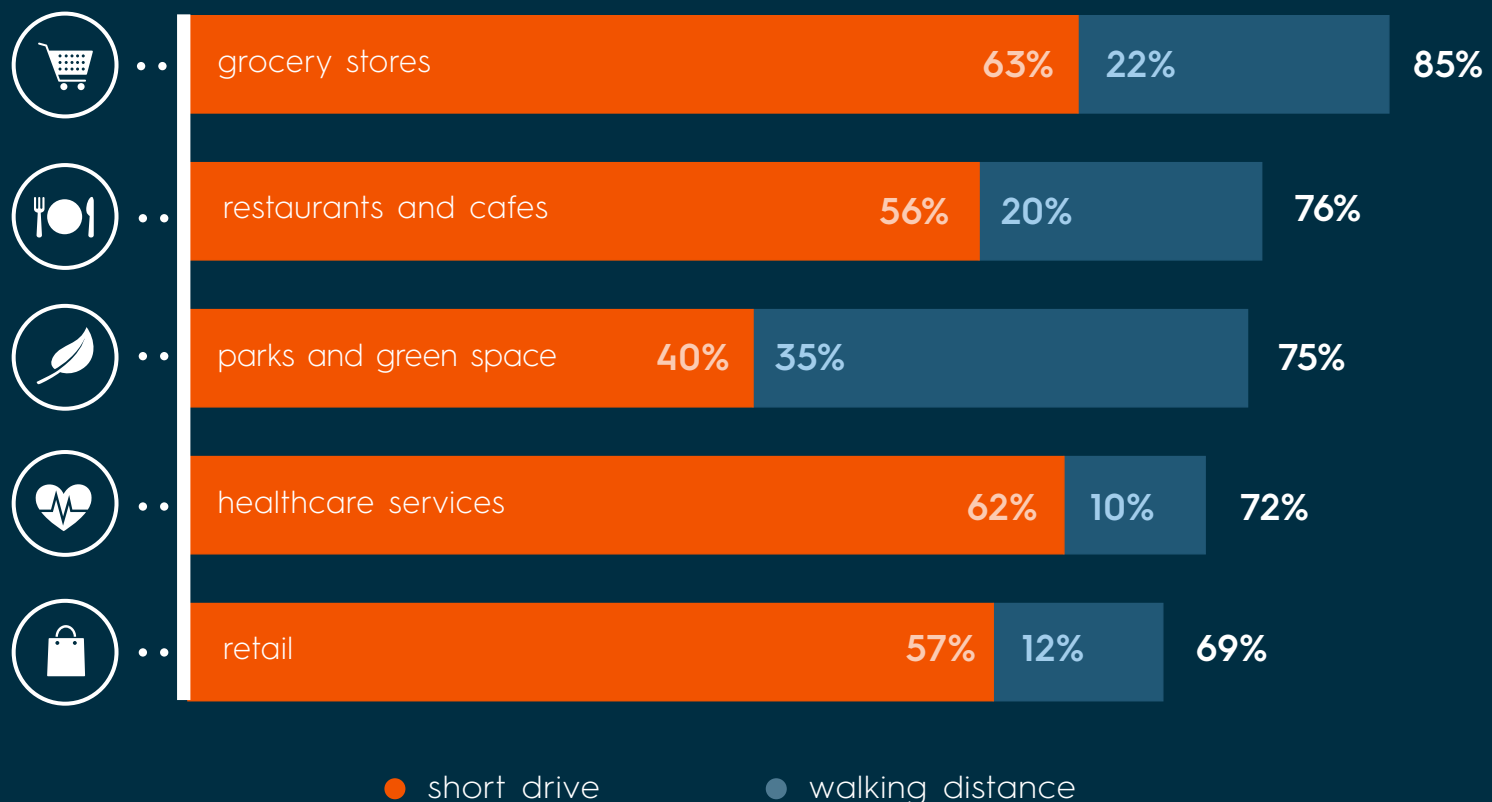
Transportation Methods
(Use at Least Once a Month)



WALK IN THE PARK

Since over 90% of U.S. households have at least one car, most Americans continue to be fine with being a short drive from most services and amenities. Still, most do want to be within walking distance of one or two places, like a park, bus stop or convenience store, but most will not opt for very densely populated areas. Priorities vary with respect to what people want nearby.

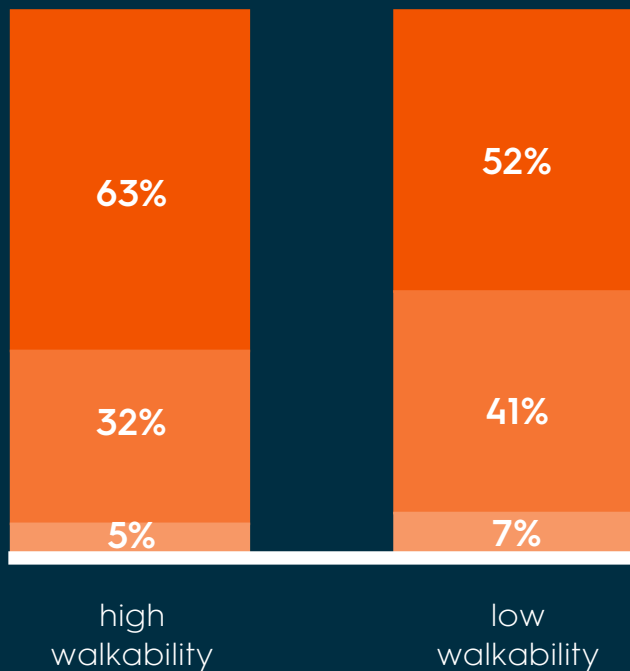
Most Desired Places to Have Near Next Home
(Among Movers)



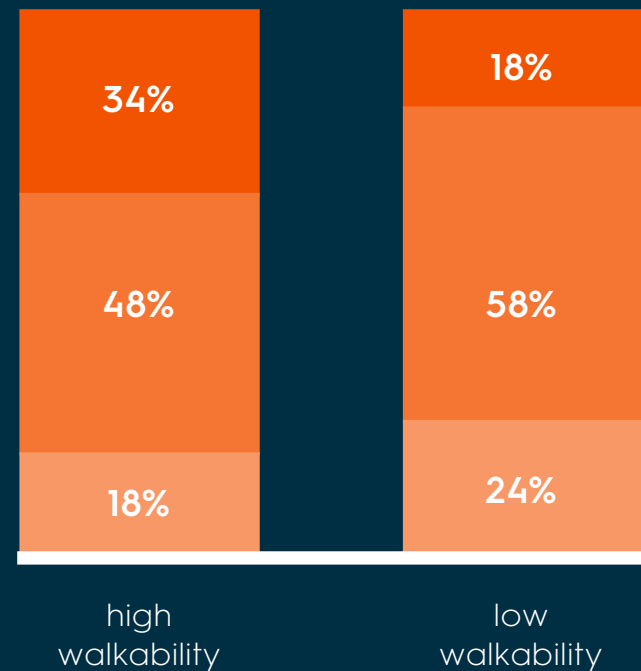
THE BENEFITS OF WALKING

There are important benefits associated with more walkability. More walkable communities report stronger expected home price growth, compared with less walkable communities, and are also more likely to report that their quality of life has improved in the past few years.

Expected Change in Home Prices



Change in Quality of Life



● go up ● stay the same ● go down

● got better ● stayed the same ● got worse

Note: Respondents rated their current home on "has a lot of amenities and services within walking distance" using a 10-point scale; "low walkability"=1-4, "moderate walkability"=5-7, "high walkability"=8-10; "moderate walkability" not shown here.
Source: 2013 Demand Institute Housing & Communities Survey

LOCATION MATTERS: WHERE AMERICA IS MOVING

These findings have important implications for business leaders and policy makers. Below we provide a few key examples.

Peace & Quiet

Safe, well-kept streets and quiet neighborhoods remain the hallmarks of the ideal home location for many Americans, and perception of safety is an indicator of overall community well-being. But while safety is not a new need, its existence is uneven across U.S. communities. Keeping crime in check in areas still struggling economically continues to be a key challenge, and crime reduction will be essential for urban areas to thrive and recognize their full potential.

On the Go

The car is the dominant transportation method – even for Millennials, as we reported [previously](#). And new auto-related technological advances, whether cleaner engine technology or self-driving cars, should drive continued demand in the auto sector. That said, Americans do want more walkability, meaning urban planners will increasingly need to balance demand for a portfolio of transport options.

Evolving the Suburbs

Americans mostly live in the suburbs, and that is also where they will mostly move. They prioritize space, privacy and safe streets. But America's suburban communities are increasingly diverse, and their fates will not be the same, as detailed in our report [A Tale of 2000 Cities](#). Maintaining safe streets and good schools should remain as top priorities, while addressing aging infrastructure and planning for greater density will be key challenges. Demand for walkability may contribute to evolving norms for suburban lifestyles.

Location Needs Are Diverse

There is tremendous diversity across U.S. communities in terms of features and benefits. This diversity will likely persist going forward, given that these differences reflect divergent consumer needs and preferences. Some prefer and will opt for more density and its attendant benefits, while others will opt for benefits more typical of the suburbs. Indeed, this diversity across communities and locations is a good thing, providing consumers with options consistent with their life stage and preferences.