



FINANCIAL ADVISORY

A Review of the Latest US Census Estimates – Where is the Population Growth?

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I hope 2025 is treating you well so far. Things have been busy here at the Specialized Wealth Management office – which we feel can be a sign that 2025 will be busy here in the real estate industry.

As I often mention in my articles, I track United States census data. The Census Bureau does a “hard count” of US residents every 10 years, but also releases an annual list of population estimates for about 450 metropolitan areas in our country. When this list is released each year, I’ll import the data into my spreadsheet model and review the results. This month, I’ll share what I am seeing.

WHY DO I TRACK CENSUS DATA?

I track Census data, because I want to know what areas of the country are growing faster than the national average. I think that owning apartments in metro areas where our pool of potential customers for our apartments, or for our NNN tenants, is growing every year will give us a better chance of success.

A QUICK SUMMARY OF THE NATIONAL DATA

Since 2010, US Population growth has averaged 0.65% annually. Between 2010 and 2016, the one-year growth rate was between 0.69% and 0.73% - very steady. In 2017, it declined to .063%, followed by 0.52% and 0.48% for 2018 and 2019. Between 2019 and 2020, growth spiked, with a gain of 0.99% - 2,250,000 people! The COVID Pandemic and economic slowdown slowed this growth considerably – with 0.16% in 2021 and 0.38% in 2022. Population growth hit 0.49% in 2023 – officially back at 2019’s “Pre-COVID” Rate.

WHAT IS HAPPENING IN CALIFORNIA?

What’s happening in California can best be summarized as “If we’re looking for higher than average growth, we probably won’t find it here in the state.”

LOS ANGELES/ORANGE COUNTY METRO AREA

The Los Angeles-Orange County Metro Area’s population peaked in 2017 and has declined each year since then. This trend continues into 2023- since ’17, we have lost approximately 480,000 residents, with 75,000 leaving between 2022 and 2023. Since 2017, we have lost 3.5% of our residents at a negative 0.6% annual rate. We are therefore losing residents at almost the same rate that the entire country is gaining them! There are still 12,800,000 of us here – that’s why traffic hasn’t seemed to get any better- but the LA/OC Metro population was 12,828,000 in 2010 – we dipped below that level last year to post negative population growth over the last 14 years!

JUST ORANGE COUNTY

Orange County was the one area keeping the LA Metro area’s growth positive but the county’s population began declining in 2020, and has dropped every year since. In just three years, Orange County lost 50,000 residents – seeing an average annual exodus of -0.5%: close to Los Angeles’ numbers!

SAN FRANCISCO BAY AREA

Population in the San Francisco Bay Area is similarly declining. Although the Metro Division (a segment of a Metro Area) that contains Oakland-Berkeley-Livermore surprisingly matched U.S. national growth averages at 0.65% since 2010; the population has been on the

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decline since 2018 and has shrunk an average of 0.8% per year since then!

WHERE IS THE GROWTH?

Several smaller (Total Population just under 1 million) Metro areas that have posted extraordinary growth since 2010 are actually seeing that growth accelerate. Huntsville, AL has seen 2% annual population growth (over three times the national average) since 2010, but that number increased to 2.25% between 2020 and 2023. Sarasota/Bradenton, south of Tampa on Florida's Gulf Coast, saw 2.28% annually since 2010 and 2.9% since 2020, while the Cape Coral/Ft. Myers, FL area saw 2.7% and 3%! Greenville, SC is seeing accelerating growth as well with 1.4% annual since 2010 and 1.62% annual since 2020 results.

This accelerated growth is much harder to achieve in larger markets, but Tampa/St. Petersburg has done 1.5% annually since 2010 and 1.65% since 2020. Jacksonville, FL is remaining steady with 2.1% since 2010 AND since 2020. Although Austin TX's growth has cooled from the astounding 3.4% annual rate from 2010, it still posted 2.5% annually since 2020 – 4 times the national average!

You'll notice that all these markets are in the American Southeast. This echoes my article from April 2024 that found the American Southwest is the only region of

the country that is seeing population growth above the national average.

GROWTH IS IN THE AMERICAN SOUTH REGION

While there are compelling growth stories in other areas of our country, (Phoenix, AZ, Boise, ID, Reno, NV, Denver, CO), the only areas showing this accelerating growth are in the South. If we are looking to buy in the South for more growth potential, we will – of course – need to look at the data behind the metro areas we are considering. There are still low-growth (Birmingham, AL, New Orleans, LA, Memphis, TN) area in the south as well.

I feel that population growth in a metro area is a major driver of growth in rents and property values. This makes a lot of sense – as I said before; if the number of potential customers (renters for our apartments or customers for our retail NNN stores) is growing ever year, then perhaps we have a better chance of success than in an area where it isn't. If you agree; perhaps investment properties in the American South could be right for you. If you have any questions, my toll-free office number is (877) 313-1868.

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