

The Southeast: A Migration Magnet Reshaping Commercial Real Estate

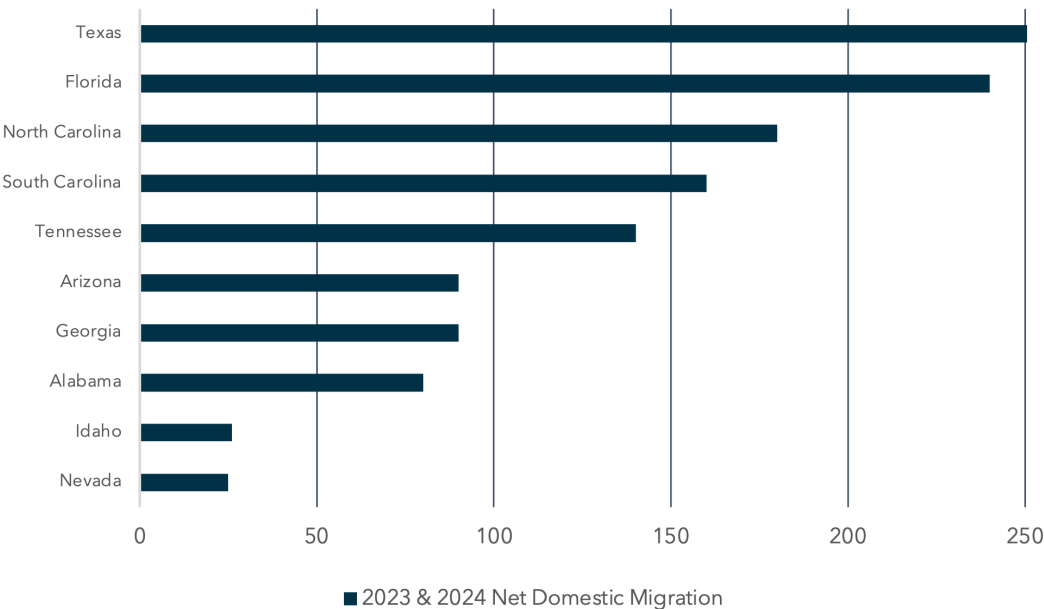
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The Southeast has emerged as the dominant force in U.S. domestic migration, with six of the top ten states for net population gains—Florida, North Carolina, South Carolina, Tennessee, Georgia and Alabama—leading the shift. This migration is more than a demographic trend; it is a structural transformation reshaping commercial real estate. Businesses are following the influx of talent, fueling job growth and driving demand for commercial and residential real estate. Lower taxes, pro-business policies, and a lower cost of living continue to attract both companies and individuals, reinforcing the cycle of economic expansion.

Industrial markets have been among the biggest beneficiaries, with cities like Atlanta and Savannah strengthening their roles as logistics hubs. Atlanta’s industrial rents have surged over the past decade, while Savannah’s port expansion has driven demand for warehouse and distribution space. Meanwhile, multifamily development is accelerating in cities like Nashville, Raleigh-Durham, and Charleston to accommodate the steady stream of new residents. Office demand in business-friendly cities such as Miami and Charlotte have also intensified, leading to record-breaking lease rental rates. The region’s dominance is further underscored by its commercial real estate sales volume, which led the nation in 2023 and 2024 with \$185 billion. As migration fuels rapid population and job growth, the Southeast is becoming one of the strongest commercial real estate markets, positioning itself for long-term economic dominance.

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Top 10 States for Net Domestic Migration in Thousands



Source: U.S. Department of Commerce & Wells Fargo Economics (Based on estimates)

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