

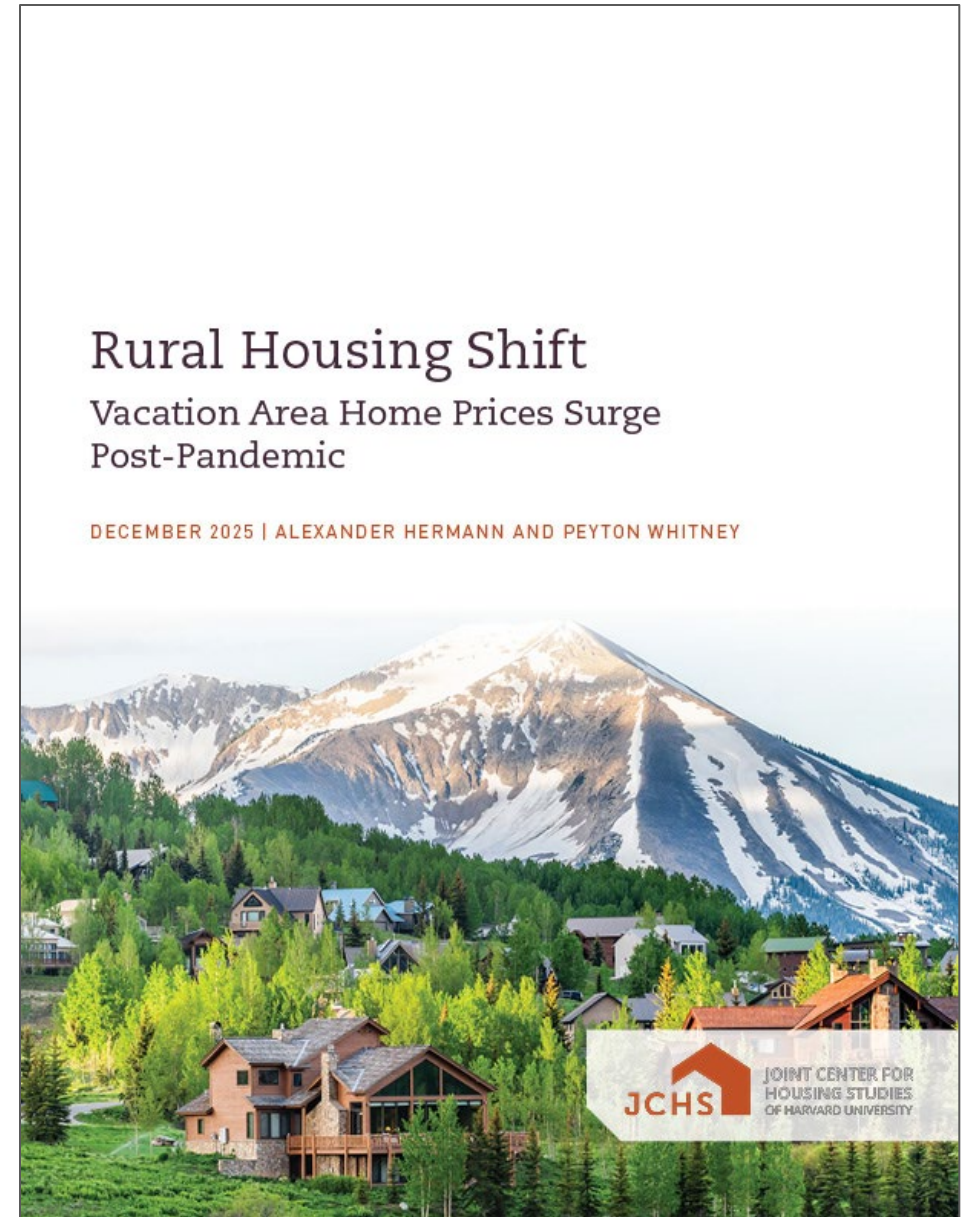
# Rural Housing Shift: Vacation Area Home Prices Surge Post-Pandemic

February 20, 2026

Alexander Hermann and Peyton Whitney

# Key Findings

- Home prices in rural areas increased overall, driven by shifting migration patterns
- Prices surged in vacation areas especially; rose generally regardless of the level of urbanization
- Controlling for differences across rural counties, prices grew more near metro areas and in lower-density communities
- Need to address affordability implications for existing residents, lower-income households, and seasonal workers



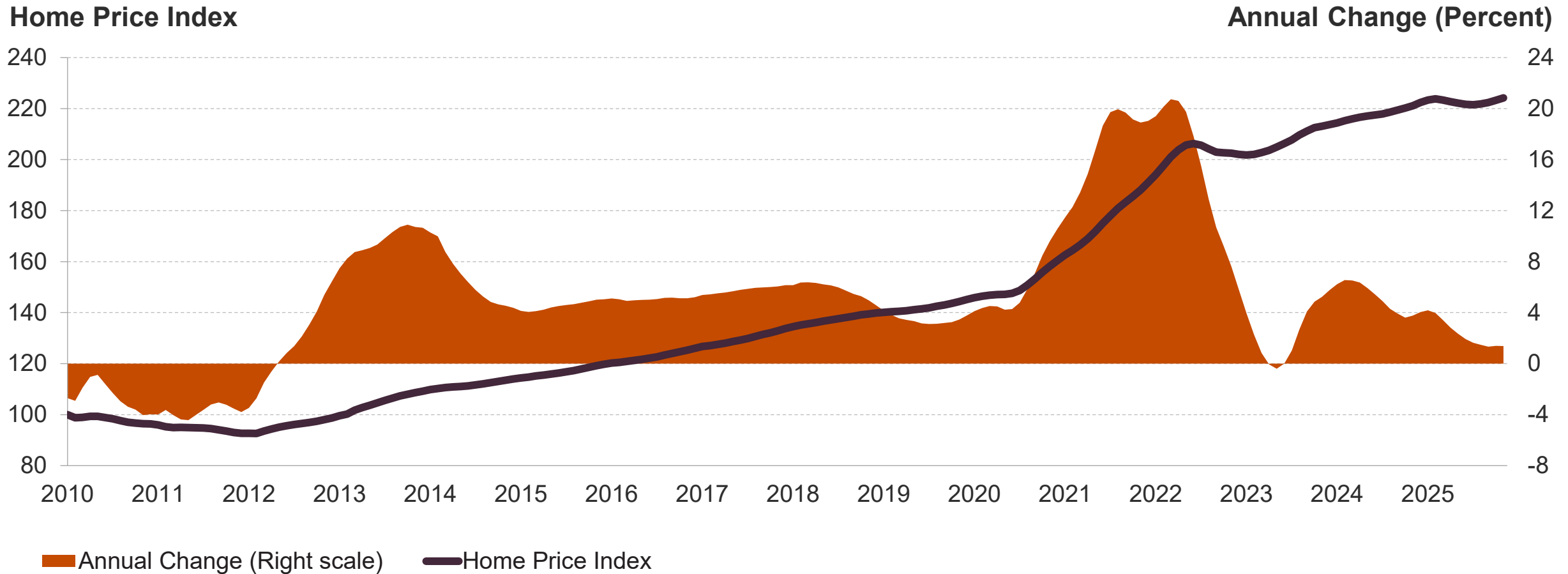
# Roadmap

- Background
- Data and Methods
- Drivers of Rural Home Price Growth
- Geography of Rural Home Price Trends
- Implications and Conclusion



# Background

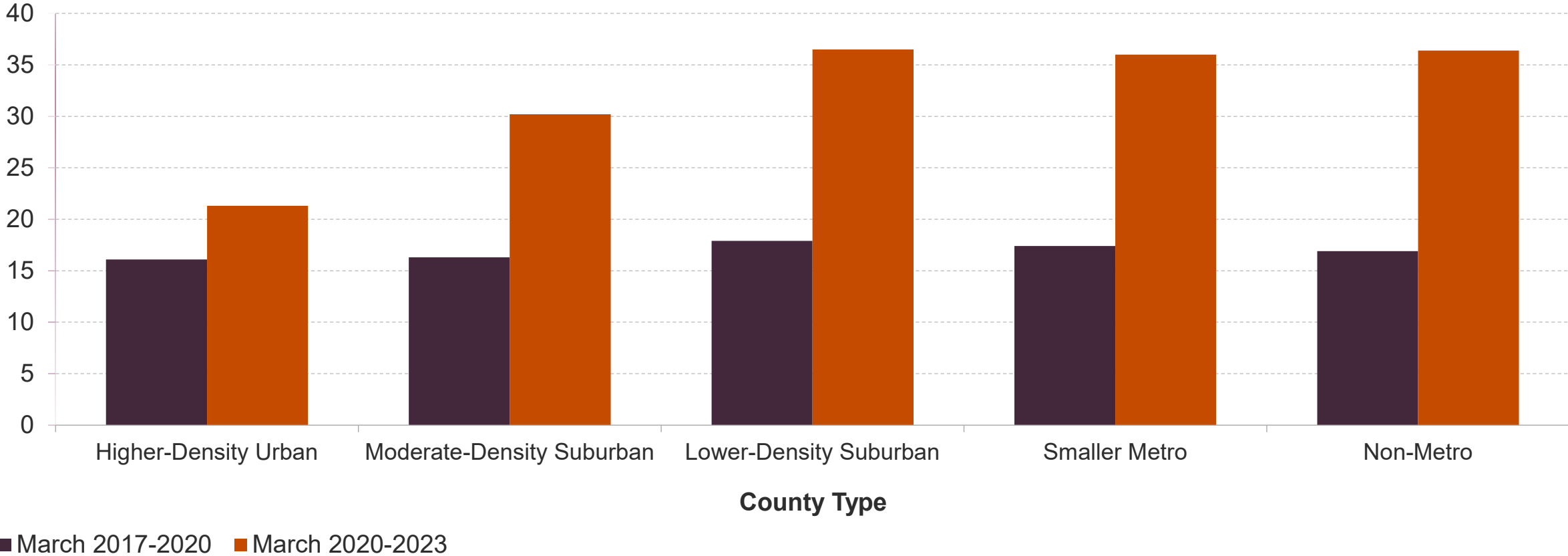
# Home Price Growth Has Moderated After Rising Substantially During the Pandemic



Source: JCHS tabulations of S&P CoreLogic Case-Shiller US National Home Price Index.

# After the Start of the Pandemic, Home Values Rose Most Rapidly in Lower Density Areas and Rural Counties

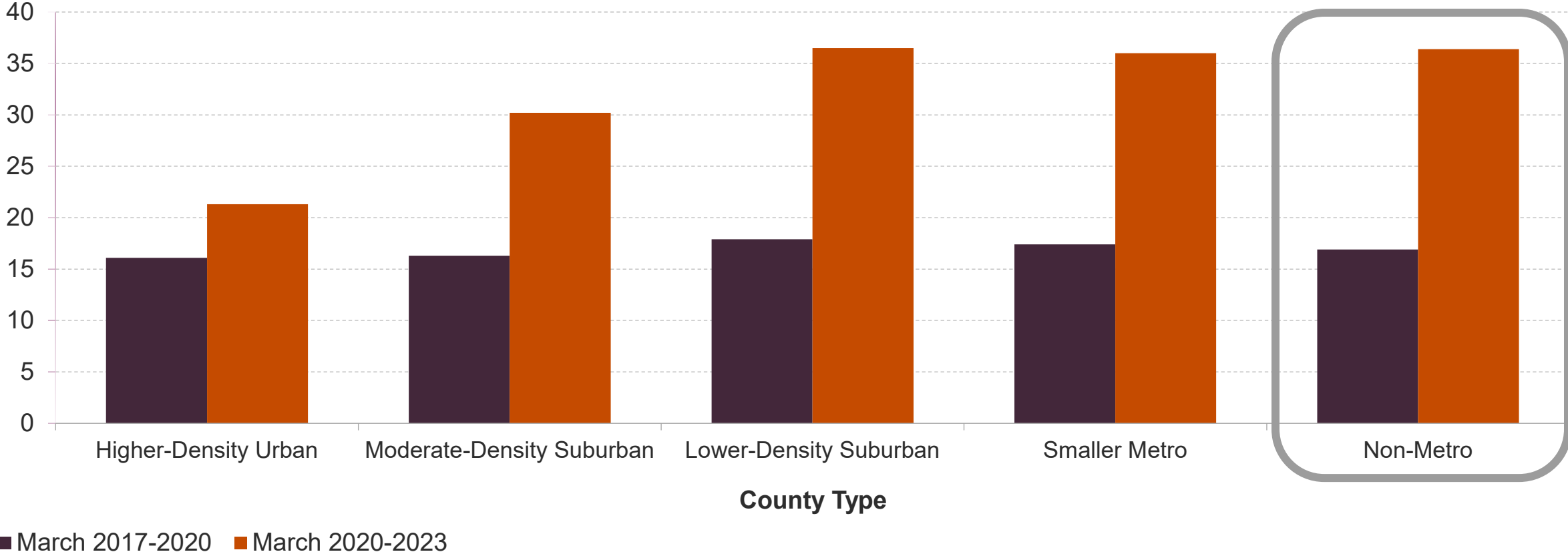
Change in Typical Home Value (Percent)



Notes: Estimates of average typical home value are weighted by the number of homeowners and use the 2017 sample of counties described in the paper. Urban, moderate-density suburban, and lower-density suburban counties are in large metro areas with at least 1 million people.  
Source: JCHS tabulations of Zillow ZHVI and US Census Bureau, 2021 American Community Survey 5-Year Estimates.

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# Drivers of Home Price Growth

- Record-low interest rates
- High savings rates
- Millennials aging into peak homebuying years
- A decade of underbuilding
- Record-low for-sale inventories

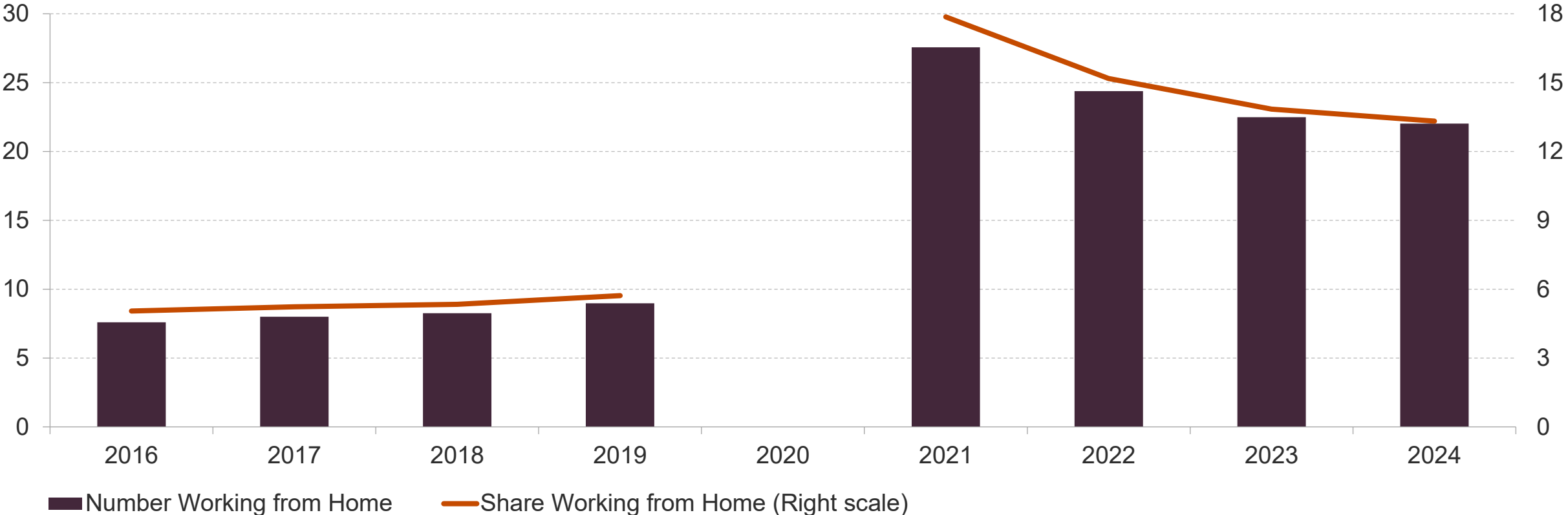
# Drivers of Home Price Growth

- Record-low interest rates
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- Millennials aging into peak homebuying years
- A decade of underbuilding
- Record-low for-sale inventories
- **Remote work and shifting migration patterns**

# Working Remotely Became Far More Prevalent After the Pandemic

Number Working from Home (Millions)

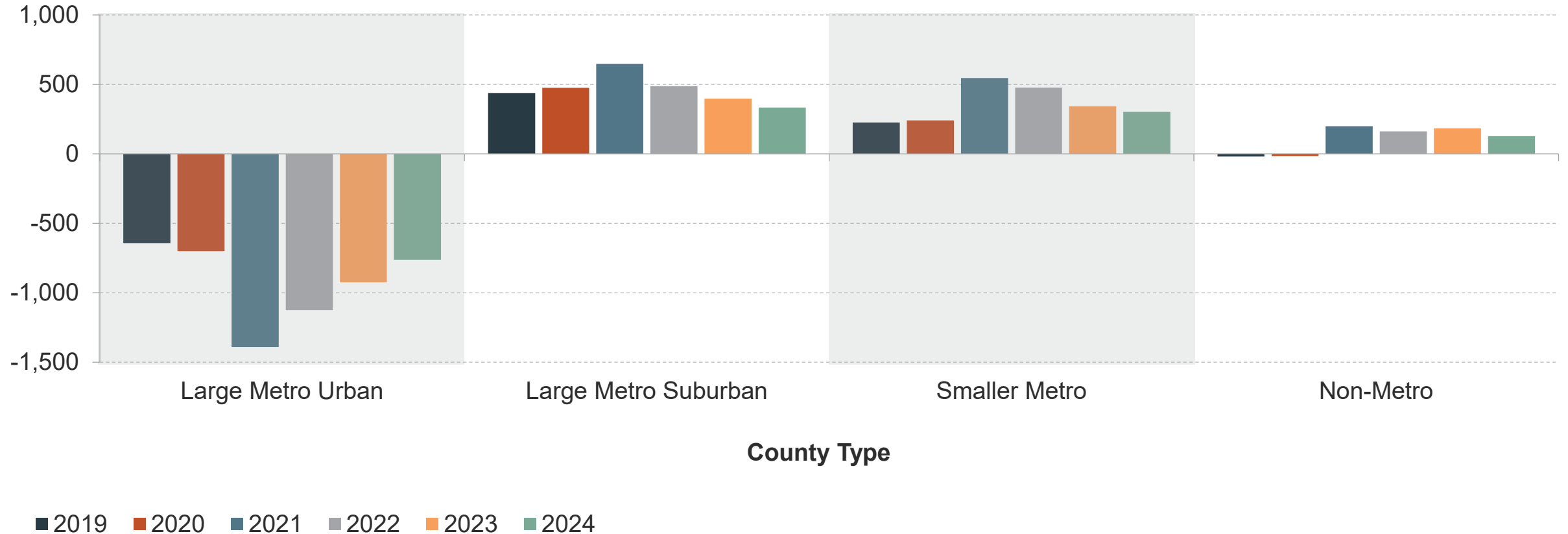
Share Working from Home (Percent)



Note: Estimates show the number and share of workers age 16 and over who usually worked from home in the prior week.  
Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

# Smaller Markets and Rural Areas Had Significant Pandemic-Era Migration Gains

Net Domestic Migration (Thousands)



Note: Urban counties have at least 2,000 tract-weighted households per square mile, and large metro areas have at least 1 million residents.

Source: JCHS tabulations of US Census Bureau, Population Estimates Program.

# Why Focus on Rural Areas?

- Distinct housing and non-housing challenges
  - Lower economic activity and economic diversity
  - Higher rates of poverty
  - Limited access to public and private services
- Distinct homebuilding challenges
  - Construction labor
  - Infrastructure
  - Less homebuilder capacity
- Second and vacation home demand

# Research Questions

1. What were the demand and supply drivers of rural home price growth in the aftermath of the pandemic?
2. What rural areas have experienced the most rapid home price appreciation? Where has home price growth been less rapid?
3. What characteristics of rural areas are associated with higher and lower home price growth?



# Data and Methods

# Data and Methods

- Zillow
  - “Typical home value” at the county level
  - March 2017, 2020, 2023
  - Weighted by the number of homeowners in each county
- American Community Survey 5-Year Estimates (2015-2019)
  - County demographic, economic, and housing characteristics
- Other data sources
  - Domestic migration and immigration (Population Estimates Program)
  - Homebuyer incomes (Home Mortgage Disclosure Act)
  - Single-family building permits (Building Permits Survey)

# Defining Rural

- All counties outside of metropolitan areas
  - Our definition of rural includes micropolitan areas
- Our sample
  - 1,805 of 1,958 non-metro counties
  - 99 percent of the non-metro population



# Dimensions of Urbanization/Rurality

County Characteristic	Source	Description
Population Density	American Community Survey	Population-weighted median density, aggregated across Census Tracts within each county
Metro Adjacency	Rural-Urban Continuum Codes	Indicator for whether a non-metro county is adjacent to one or more metro areas
Urban Population	Rural-Urban Continuum Codes	The number of people living in an urban area (densely settled places with at least 2,000 housing units or 5,000 people) for each county as defined by the US Census Bureau
Average Commute Time	American Community Survey	Mean commute time to work

# Dimensions of Urbanization/Rurality

**Less Urban/  
More Rural**

**More Urban/  
Less Rural**



Lower Density  
Not Metro Adjacent  
Smaller Urban Population  
Longer Commute Times

Higher Density  
Metro Adjacent  
Larger Urban Population  
Shorter Commute Times

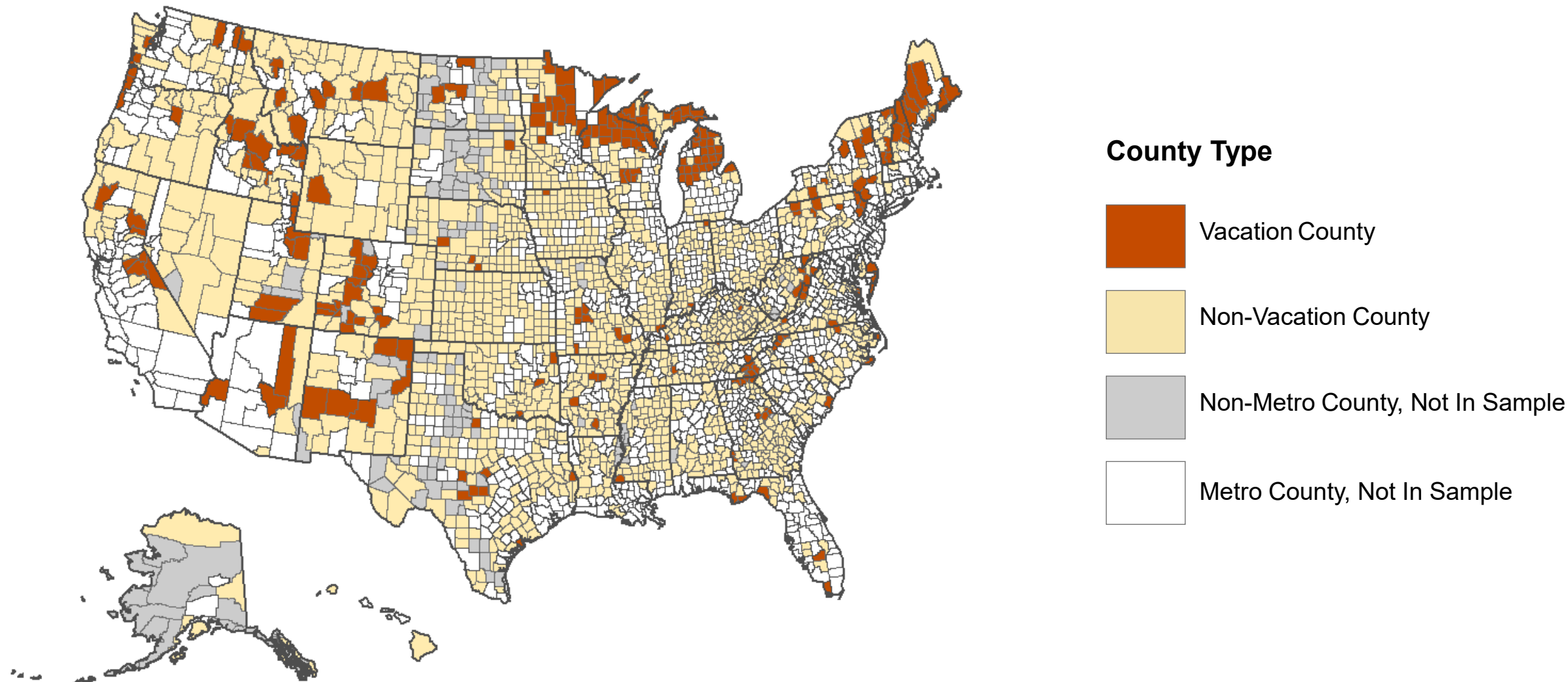
# Vacation Counties

- **Definition:** 20 percent of the housing stock is vacant and held for seasonal, recreational, or occasional use
  - 256 vacation counties (14 percent)
- **In practice:** Counties with high natural amenity values and large tourism industries
- **Examples:**
  - Charlevoix County, MI
  - Eagle County, CO
  - Hancock County, ME
  - Sierra County, CA



Photo by [Yasintha Perera](#) on [Unsplash](#)

# Vacation Counties Are Located Primarily in the Mountain West, Upper Midwest, and Northeast



# Vacation County Characteristics

- Higher cost
- Higher income
- Higher rates of educational attainment
- Older population
- Less racial/ethnic diversity
- Lower levels of urbanization



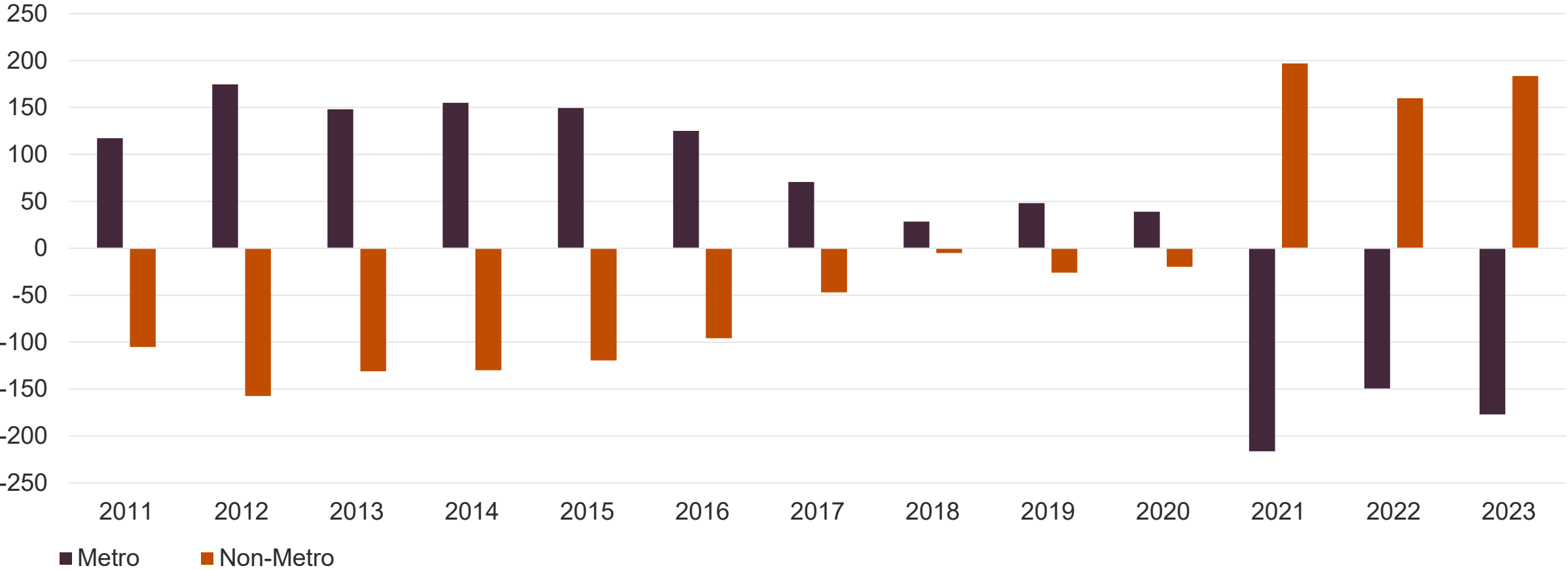
Photo by [Yasinth Perera](#) on [Unsplash](#)



# Drivers of Rural Home Price Growth

# Beginning in 2021, More People Moved Into Than Out of Rural Areas for the First Time in Over a Decade

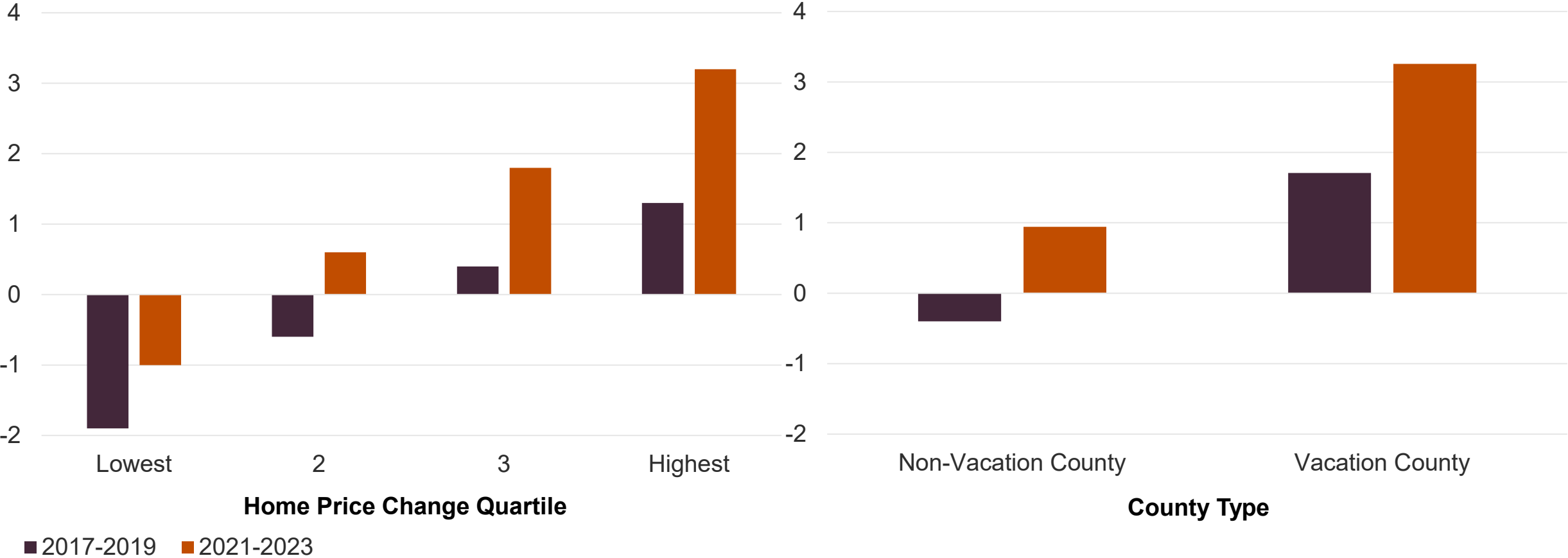
Net Domestic Migration (Thousands)



Note: Excludes counties in Connecticut.  
Source: JCHS tabulations of US Census Bureau, Population Estimates Program.

# Rural Domestic Migration Was Especially Strong in Counties with Rapid Price Growth and Vacation Counties

Rate of Net Domestic Migration (Percent)



Note: Includes non-metro counties only and excludes counties in Connecticut.  
Source: JCHS tabulations of US Census Bureau, Population Estimates Program.

# Other Drivers of Rural Home Price Growth

- Immigration increased in rural areas in 2021-2023, but was less pronounced than domestic migration and more uniform across county types
- Homebuyer incomes grew significantly, particularly in vacation counties
- Single-family permitting activity rose in non-metro counties, especially in vacation areas, but the rate of construction was much lower than in metro areas overall



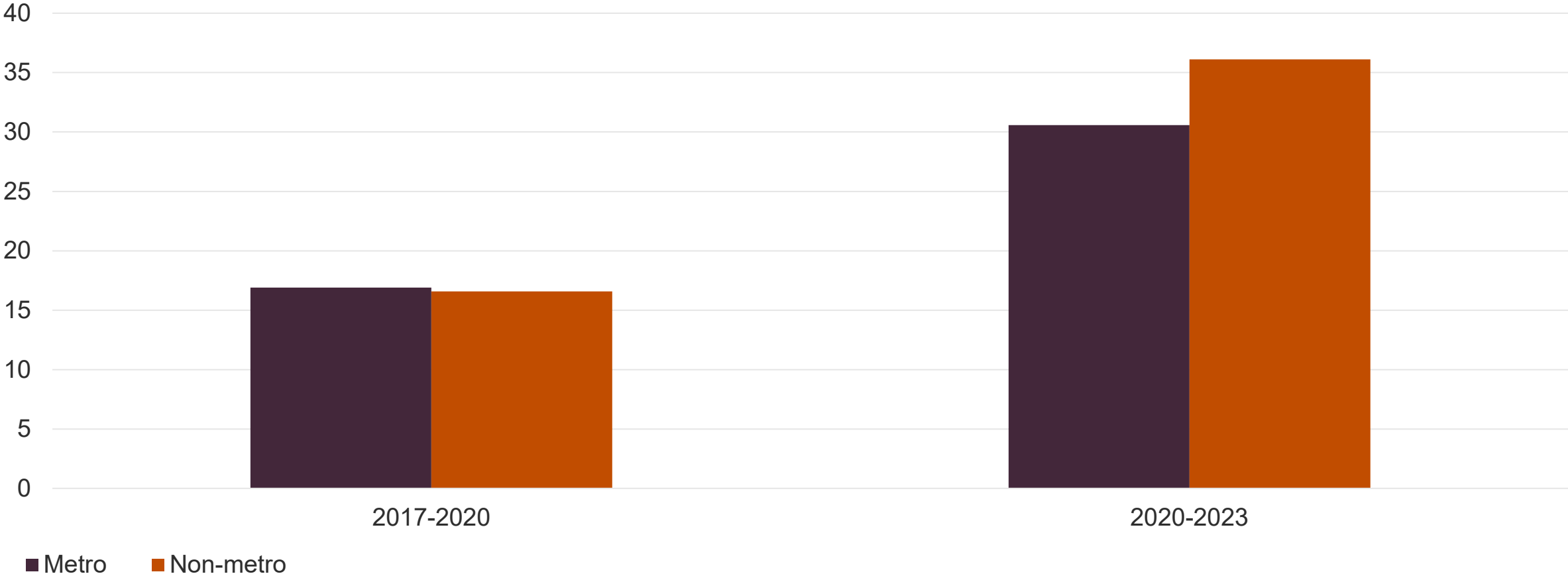
# Geography of Rural Home Price Trends

A dark, monochromatic photograph of a residential street. The scene is viewed from a low angle, looking down a sidewalk that runs parallel to a row of houses. On the right, a two-story house with a prominent porch and columns is visible. The porch has a metal railing and a set of stairs leading up to it. The house number '1814' is visible on the porch columns. To the left of the sidewalk, there are trees and a utility pole. In the background, more houses and parked cars are visible along the street. The overall atmosphere is quiet and somewhat somber due to the dark, muted color palette.

# Home Prices Rose Sharply in Rural Areas

# After the Start of the Pandemic, Home Values Rose Faster in Non-Metro Counties

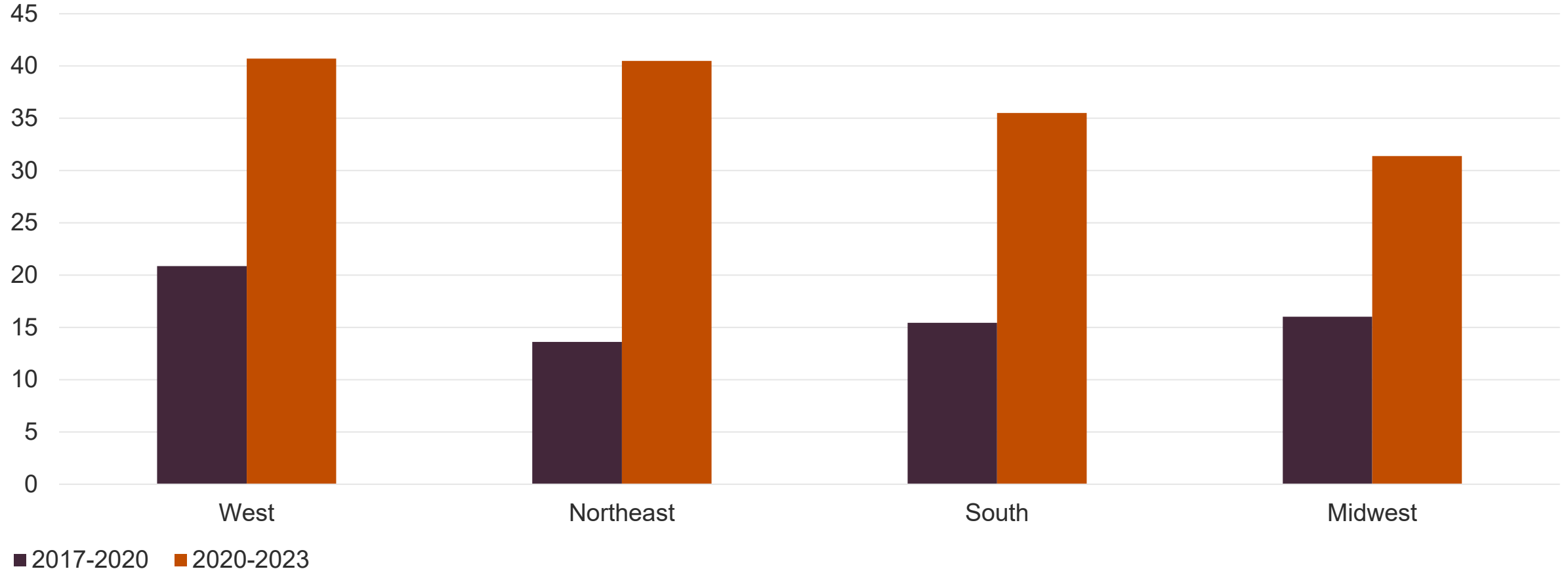
Change in Average Home Value (Percent)



Source: Author tabulations of Zillow Home Value Index; US Census Bureau, 2019 American Community Survey 5-Year Estimates.

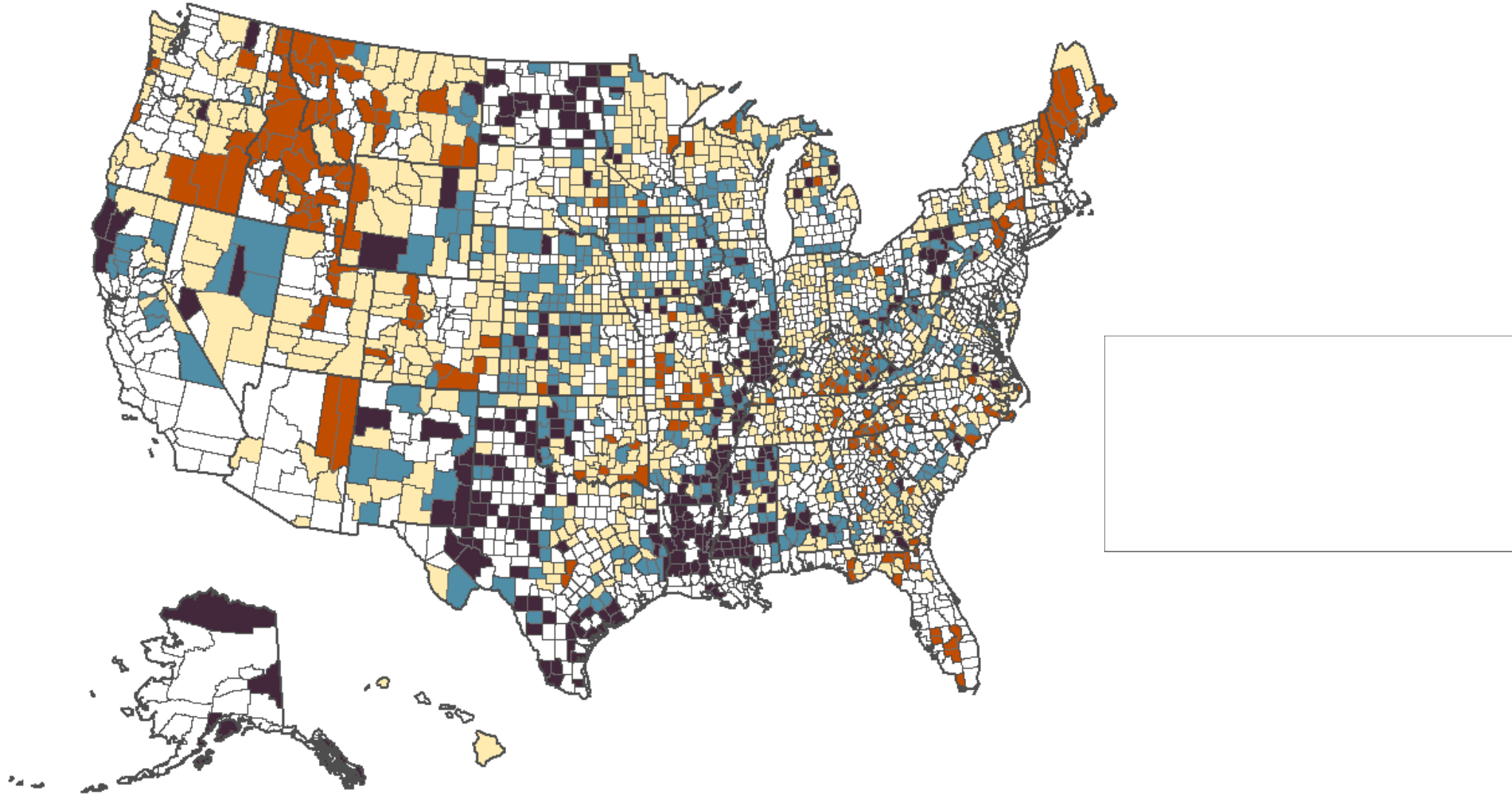
# Rural Home Prices Have Risen Rapidly in Every Region

Change in Average Home Value in Non-Metro Counties (Percent)



Source: Author tabulations of Zillow Home Value Index; US Census Bureau, 2019 American Community Survey 5-Year Estimates.

# Home Prices Rose Rapidly in Rural Counties Across the US

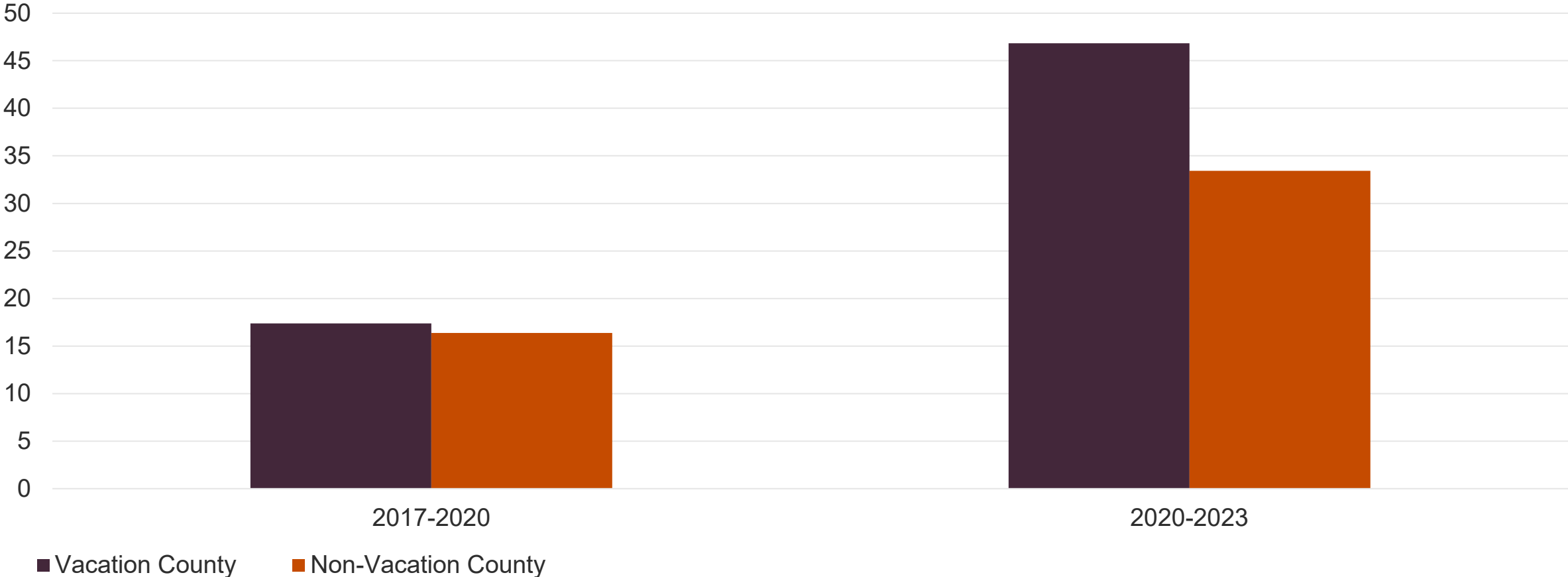


A row of two-story houses with porches and balconies, typical of a vacation area. The houses have light-colored siding and dark trim. The porches have columns and railings. The balconies have metal railings. The houses are set on a street with a sidewalk and trees. The sky is overcast.

# Home Prices Rose Fastest in Vacation Areas

# After Rising at Similar Rates Before the Pandemic, Home Prices Grew Much Faster in Vacation Counties After 2020

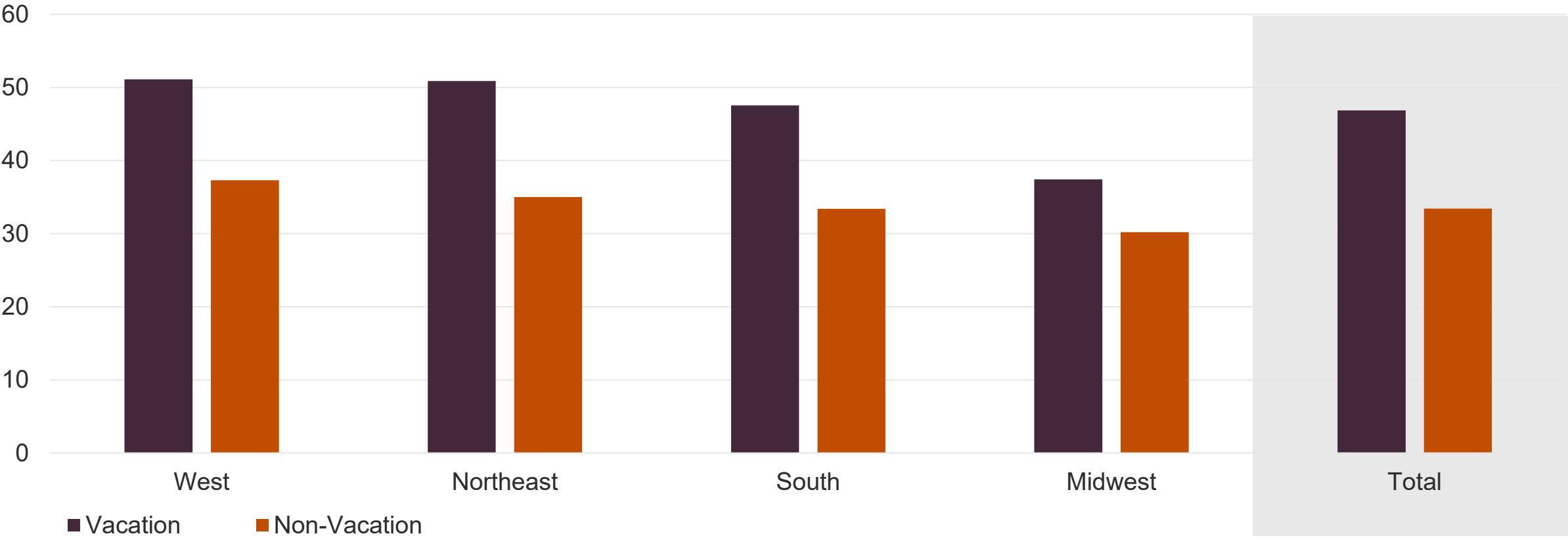
Change in Average Home Value (Percent)



Source: Author tabulations of Zillow Home Value Index; US Census Bureau, 2019 American Community Survey 5-Year Estimates.

# Rural Home Price Appreciation Was Especially Rapid in Vacation Counties Across All Regions

Change in Average Home Value, March 2020-2023 (Percent)



Notes: Data are for non-metro areas only. Vacation counties have at least 20 percent of the housing stock vacant and available for seasonal, recreational, or occasional use.

Source: Author tabulations of Zillow Home Value Index; US Census Bureau, 2019 American Community Survey 5-Year Estimates.



# Home Prices Rose Substantially Regardless of Level of Urbanization

# Home Values Rose Similarly in More Rural and Less Rural County Types

County Characteristic	Change in Average Home Value, March 2020-2023 (Percent)
<b>Quartiles of Median Population Density</b>	
Lowest Density Quartile	36
2	36
3	35
Highest Density Quartile	37
<b>Quartiles of Average Commute Time</b>	
Lowest Commute Time Quartile	34
2	35
3	38
Highest Commute Time Quartile	37
<b>Adjacency to Metro Area</b>	
Non-Adjacent	36
Adjacent	36
<b>Urban Population</b>	
Less than 5,000	36
5,000–19,999	36
20,000 or More	37

# Controlling for Other County Characteristics

A dark, monochromatic photograph of a residential street. The scene shows a sidewalk leading to a row of two-story houses with porches and railings. There are trees and utility poles on the left side. The overall tone is muted and somber. The text 'Controlling for Other County Characteristics' is overlaid in white, centered on the left side of the image.

# Regression Model Components

- Dependent variable: **Percent change in home value from March 2020 to March 2023**
- Control for:
  - Population
  - Race and ethnicity
  - Education
  - Income
  - Age of the stock
  - Homeownership rate
  - Share of stock that is single-family detached homes
  - Census region

# After Controlling for Numerous Differences, Vacation Counties Still Had Significantly Higher Home Price Growth Post-2020

Independent Variable	Coefficient	Significance
<b>Vacation County</b>	5.265	**
<b>Metro Adjacency</b>	2.358	**
<b>Urban Population Size</b>		
Less than 5,000	-	
5,000—19,999	-2.105	*
20,000 or More	-2.172	
<b>Median Population Density</b>	-0.003	*
<b>Average Commute Time (Minutes)</b>	0.125	
<b>Sample size</b>	1,801	
<b>R-squared</b>	0.211	

Notes: The dependent variable is the percent change in typical home value from March 2020 to March 2023. \*  $p < 0.05$  \*\*  $p < 0.01$

Source: Author tabulations of Zillow Home Value Index; US Census Bureau, 2019 American Community Survey 5-Year Estimates; 2023 USDA Rural-Urban Continuum Codes.

# Vacation Counties Were Not a Significant Indicator of Higher Home Price Growth Before 2020

Independent Variable	Dependent Variable: Change in Typical Home Value (Percent)	
	2017-2020	2020-2023
<b>Vacation County</b>	1.214	5.265**
<b>Metro-Adjacent</b>	3.502**	2.358**
<b>Urban Population Size</b>		
Less than 5,000	-	-
5,000—19,999	1.208	-2.105*
20,000 or More	2.096*	-2.172
<b>Median Population Density</b>	-0.001	-0.003*
<b>Average Commute Time (Minutes)</b>	0.051	0.125
<b>Sample size</b>	1,801	1,801
<b>R-squared</b>	0.173	0.211

Notes: The dependent variable is the percent change in typical home value in March for each period indicated. \* p < 0.05 \*\* p < 0.01

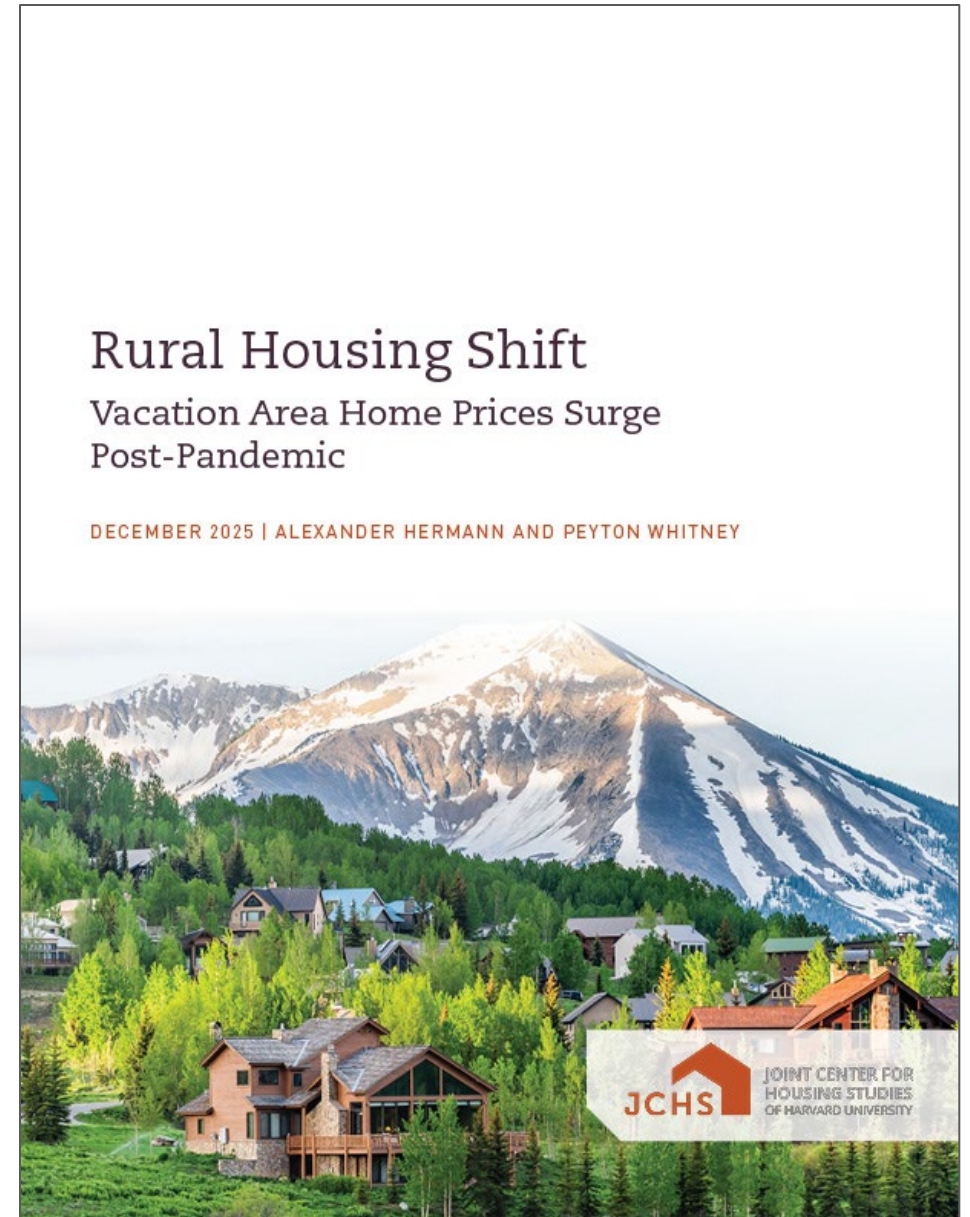
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# Implications and Conclusion

# Key Findings

- Home prices in rural areas increased overall, driven by shifting migration patterns
- Prices surged in vacation areas especially; rose generally regardless of the level of urbanization
- Controlling for differences across rural counties, prices grew more near metro areas and in lower-density communities
- Need to address affordability implications for existing residents, lower-income households, and seasonal workers



# Implications and Conclusions

- Rapidly rising home prices in non-metro places and vacation counties contribute to housing affordability challenges for longtime residents, seasonal workforce
  - The median income for homebuyers in vacation counties was \$125,000 in 2023
  - The median income for all households in vacation counties was \$50,500 in 2019
- Important mechanisms to combat affordability pressures include
  - Property tax abatements
  - Housing vouchers for lower-income residents
  - First-time homebuyer assistance
  - Expansion of affordable housing types (including manufactured housing)

Thank you!