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Economy

On the move: Falling rents, rising spending

23 November 2026

Key takeaways

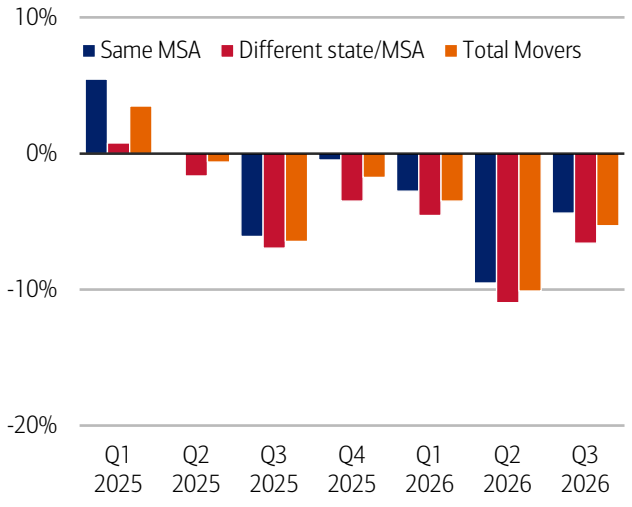
- Moving activity remains subdued, according to Bank of America account data. The number of movers continued to decline year-over-year (YoY) at a slower rate in Q3, but the lack of the usual spring moving bump suggests this easing may be more about timing than a meaningful rebound in mobility.
- Younger Americans continue to move albeit at a slightly slower pace than the last few years. Homebuying activity has also continued to grow among younger generations and lower-income households, though older and higher-income households remain the bulk of home purchases.
- Renters continue to find some breathing room, according to Bank of America internal data. Rent payments are falling even as like-for-like rents continue to rise, suggesting renters are finding ways to lower their housing costs. At the same time, renters' discretionary spending has accelerated and is still growing faster than homeowners' spending.

Moving continued to decline but the pace slowed

The decline in moving activity is easing, according to Bank of America account data. People switching states or metros saw a larger decline than those moving within the same city in Q3 2026 (Exhibit 1). Still, across both measures, the drop was slower than it was in the prior quarter.

While data shows that moving typically spikes in the summer, spreading across the second and third quarters of each year, there was no such increase in Q2 of this year (Exhibit 2). So, in our view, the recent easing could likely represent a shift in moving to later in the summer, which resulted in a stronger than normal third quarter. It's also possible that the second quarter could represent a temporary bottom in the trend or timing mismatches from last year's declines.

Exhibit 1: The total number of movers stabilized in Q3 2026 after mostly declining for the past few quarters
The number of people moving by location (two-quarter moving average, year-over-year (YoY)%, metropolitan statistical area = MSA)



Source: Bank of America internal data

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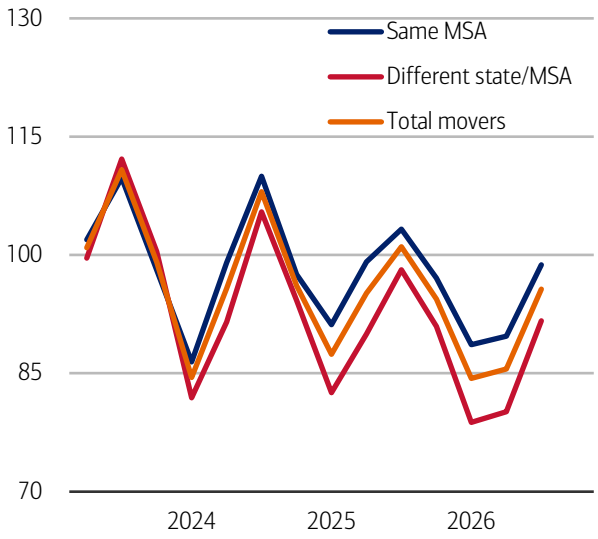
Exhibit 2: There was no spike in moving in Q2 of this year
The number of people moving by location (two-quarter moving average, index 2023 = 100)



Source: Bank of America internal data

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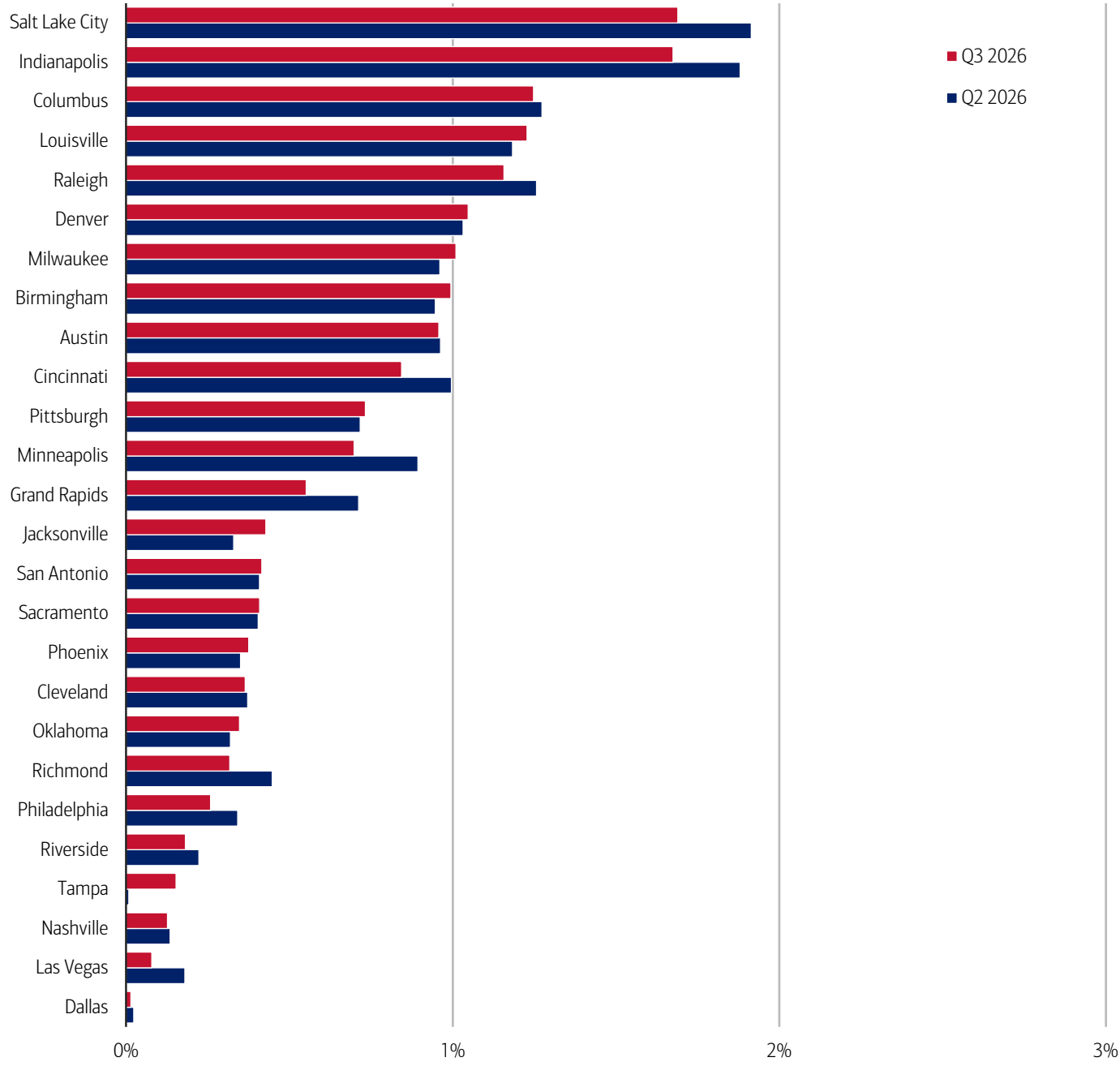
The Midwest continues to shine

Bank of America account data also suggests that the Midwest continued to be the domestic migration leader in the third quarter of 2026 (Exhibit 3). Milwaukee, Columbus, Louisville, Indianapolis and Cincinnati were all in the top 10 fastest-growing metros by year-over-year (YoY)% change, though growth cooled for the latter two.

Inland Western metros Salt Lake City and Denver continued to see healthy gains, while in the South, Raleigh, Birmingham and Austin saw steady growth. Notably, in Florida, Tampa has gone from flat growth to a slight increase, while Jacksonville continues to expand slightly. The gains in Northeast were generally slower, though Pittsburgh took the top spot in the region.

Exhibit 3: Population growth remained solid throughout the Midwest, though there was a slight slowdown in growth this quarter
Net population change in major MSAs, according to Bank of America internal data (YoY% change, positive means net inflow, negative means net outflow)



Source: Bank of America internal data

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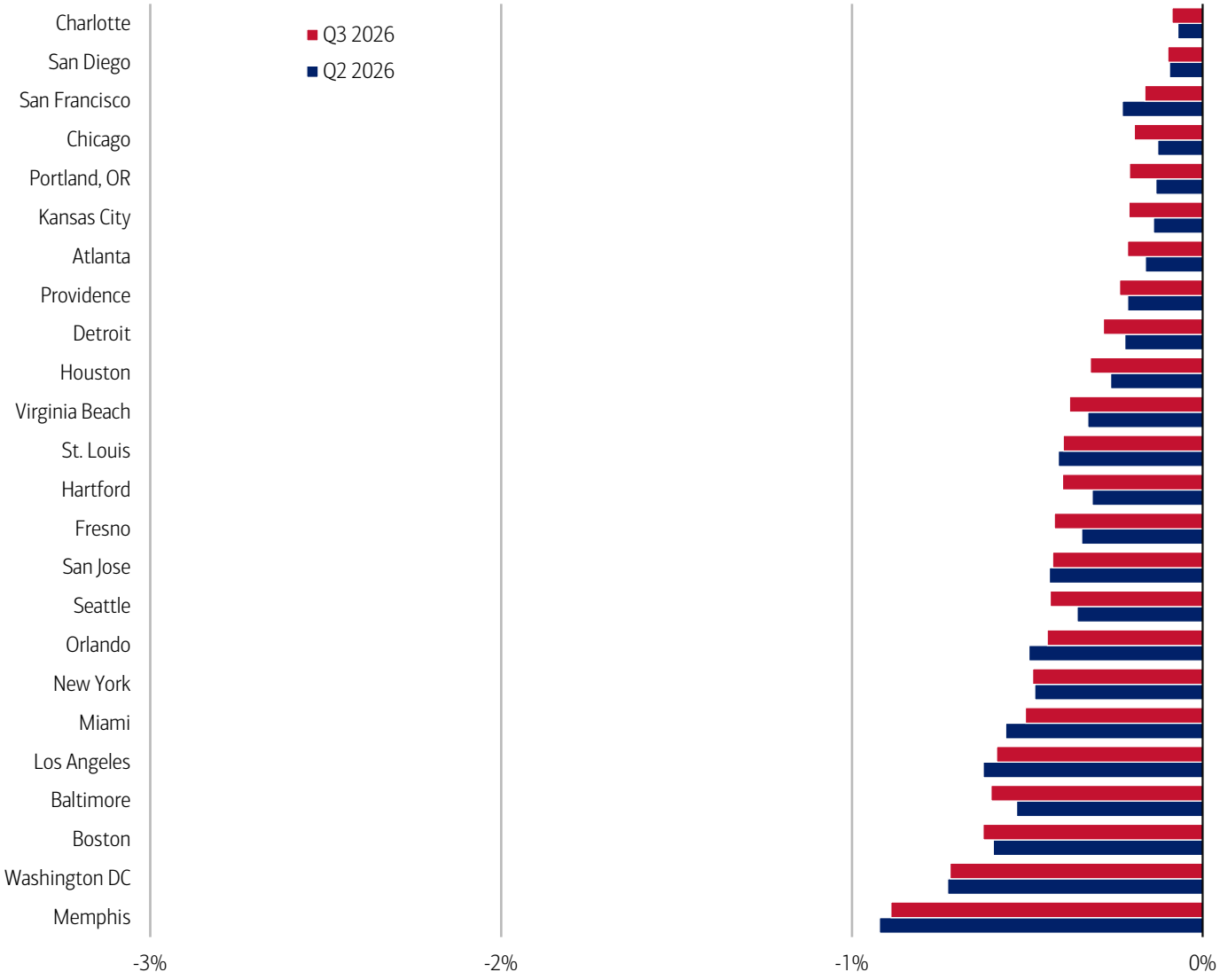
Larger coastal metros like Boston, Washington DC, Los Angeles (LA) and New York City (NYC) continued to see modest decreases though Memphis had the largest YoY decline, according to Bank of America account data (Exhibit 4). The exodus from

Orlando and Miami continued to slow, while departures from other Sun Belt cities, including Houston, Virginia Beach, Atlanta and Charlotte, picked up slightly.

Exhibit 4: Large coastal metros continued to see modest declines, while the Florida exodus slowed a bit
Net population change in major MSAs, according to Bank of America internal data (YoY% change, positive means net inflow, negative means net outflow)



Source: Bank of America internal data

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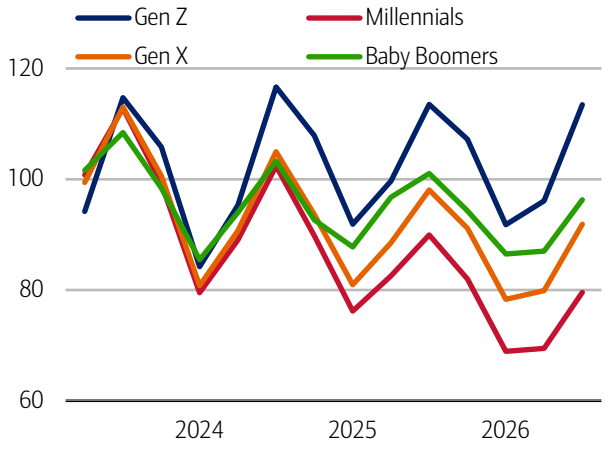
Moving is likely a function of age, not income

While moving has generally declined YoY across all age and income cohorts, Gen Z saw only a modest drop for the period, according to Bank of America account data. By contrast, Gen X and Baby Boomers saw stronger decreases (Exhibit 5). Meanwhile, Millennials have been most likely to stay put over the past few years.

When we analyze the data by income groups, we similarly sized declines across all cohorts, though higher-income households are showing slightly smaller decreases (Exhibit 6). This suggests to us that variations in moving might be more related to age than income. In our view, part of this may reflect life-cycle stages, such as Gen Z moving for job changes, while Millennials are more likely to put down roots.

Exhibit 5: Gen Z has only seen a 2% YoY decrease in the number of movers
The number of people who have moved by generation (rolling two-quarter sum, index full year 2023 = 100)



Source: Bank of America internal data

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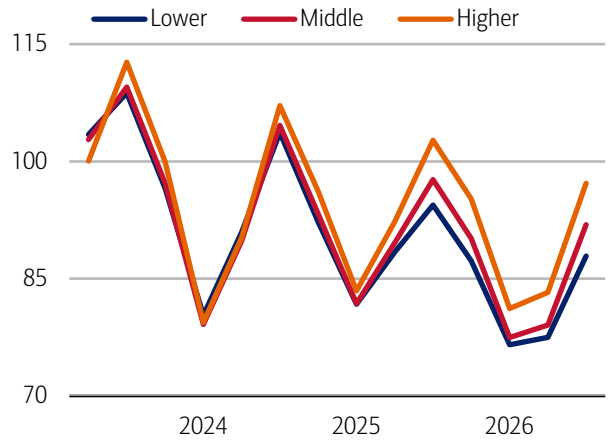
Exhibit 6: Moving has declined more uniformly across income groups, though higher-income households have held up better
The number of people who have moved by household income tercile (rolling two-quarter sum, index 2023 = 100)



Source: Bank of America internal data

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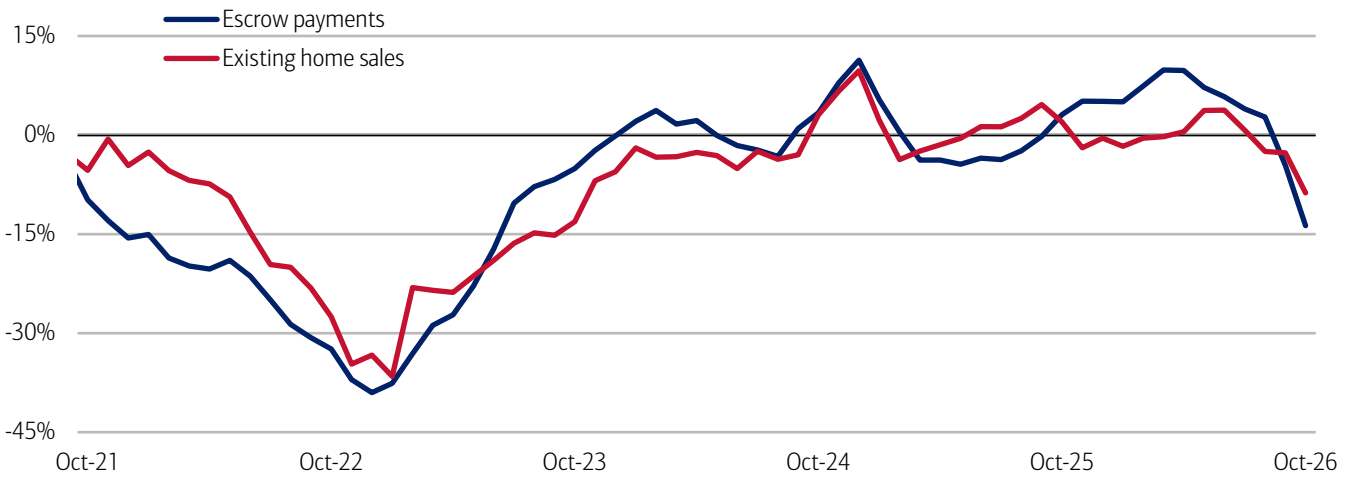
Homebuying increased in Q3 2026 for younger generations and lower-income households, while others saw declines

We also examined homebuying trends across demographics. To do that, we use Bank of America internal data on large escrow payments as a proxy for home downpayments. Comparing the YoY% change in escrow payments and National Association of Realtors' (NAR) data on existing home sales, we can see they largely follow the same pattern (Exhibit 7).

Exhibit 7: Bank of America data on escrow payments and NAR data on existing home sales follow a largely similar pattern, with both declining YoY in the fall of 2026
Bank of America data on escrow payments (three-month moving average, YoY%) compared to National Association of Realtors data on existing home sales (seasonally adjusted annualized rate, YoY%)



Source: Bank of America internal data and National Association of Realtors

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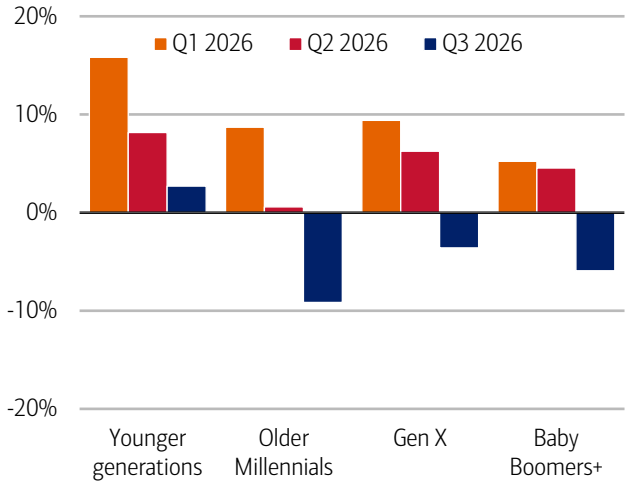
Bank of America internal data on escrow payments suggests that homebuying continued to increase YoY for younger generations (Gen Z and younger Millennials) and lower-income households in Q3 2026 (Exhibit 8 and Exhibit 9). Though it's important to note that the majority of homebuyers are still older and have high incomes. Hence, why our data shows a decrease in overall homebuying activity in Q3 2026.

While still-elevated mortgage rates may be tempering overall homebuying, the rise in downpayments among younger generations is likely tied to life-stage changes. Base effects also play a part here, as the number of Gen Z and younger Millennials downpayments are starting from a much smaller point than that of older generations.

By income, given that lower-income households skew toward younger generations, that also may partly explain buying trends across income cohorts in Q3 2026. At the same time, lower earners have also seen a significant improvement in wage growth over the past year (read more in Consumer Checkpoint: Spending season), and it's possible some of the rise in homebuying reflects improving financial positions.

Exhibit 8: Younger generations have seen a YoY% increase in escrow payments
The number of households with escrow payments by generation (quarterly, YoY%)



Source: Bank of America internal data
Note: Younger generations include Gen Z and younger Millennials.
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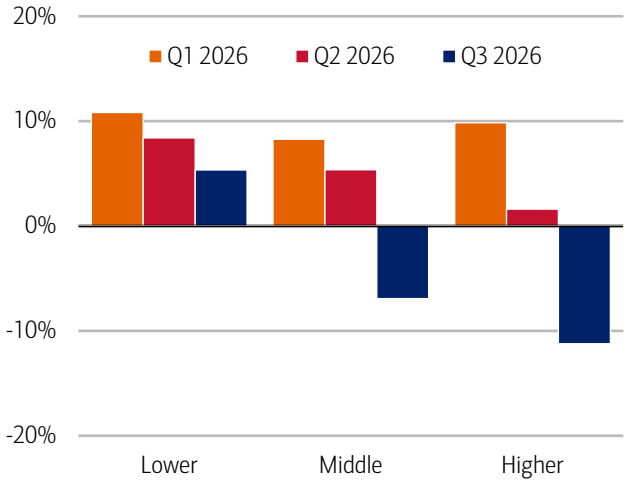
Exhibit 9: Lower-income households have also seen an increase in escrow payments over the past year
The number of households with escrow payments by household income tercile (quarterly, YoY%)



Source: Bank of America internal data
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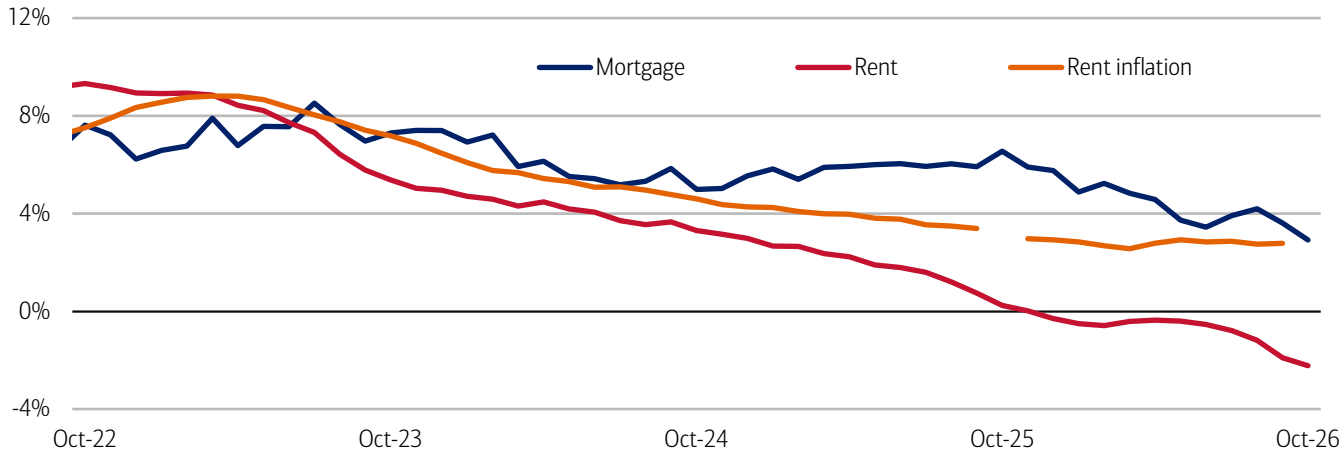
Rent payments continue to decline, boosting renters' discretionary spending

Another reason for the decline in homebuying may be easing rents, as people can get better deals on their largest expense: housing. In fact, rent payments have declined for most of the past year, dropping 2.2% YoY in October 2026, according to Bank of America payments data (Exhibit 10).

This is despite "like-for-like" rents (e.g., same city, same unit) growing at 2.8% YoY, according to Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) inflation data. This suggests to us that renters continue to trade down, finding less expensive living spaces by choosing potentially smaller units with less amenities or places further from more expensive city centers. Notably, the gap between declining rent payments and rent inflation is at its widest point in the past four years.

Exhibit 10: Rent payments continued to decline, while rent inflation still grew
Monthly median mortgage payment and rent growth, based on Bank of America data (three-month moving average, YoY%) and rent consumer price index (CPI) inflation, based on BLS data (monthly, YoY%)



Source: Bank of America internal data
Note: October 2025 and 2026 rent inflation is missing due to government shutdown.
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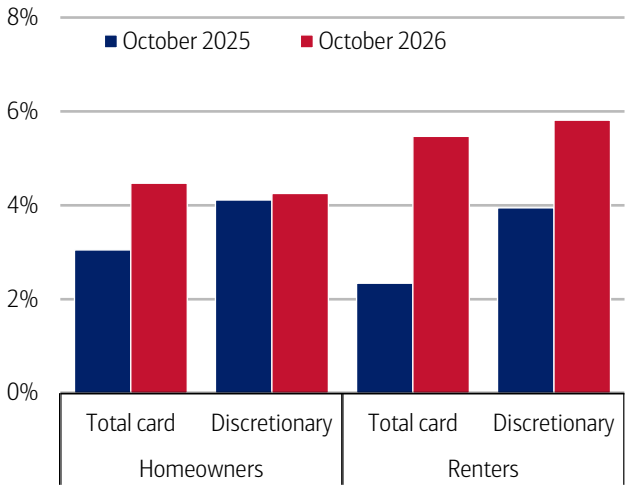
Renters' use extra room in their budgets on non-store, clothing, and general merchandise spending

As such, spending (excluding rent) by renters is significantly improving relative to homeowners. While homeowners' spending growth remained robust, renters' outlays are accelerating and growing faster (Exhibit 11). Notably, both homeowners' and renters' spending growth moderated since the middle of the year, though renters' have seen more easing over the past few months (Exhibit 12). In our view, some of this moderation may reflect base effects: rents started to decline around this time last year, so we're lapping the initial boosts in renters' spending growth.

Exhibit 11: Renters' outlays have both accelerated and grown faster this fall

Card spending by renters and homeowners for select categories (three-month moving average, YoY%)



Source: Bank of America internal data
Note: Total card spending excludes rent payments.

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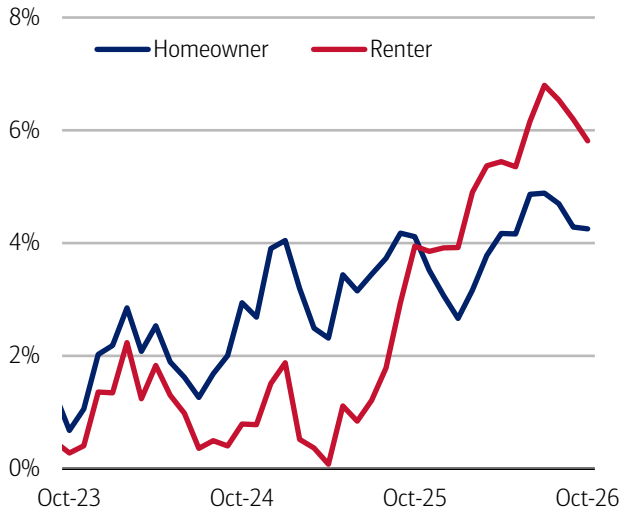
Exhibit 12: Renters' spending continued to improve throughout the year

Discretionary card spending by renters and homeowners (three-month moving average, YoY%)



Source: Bank of America internal data

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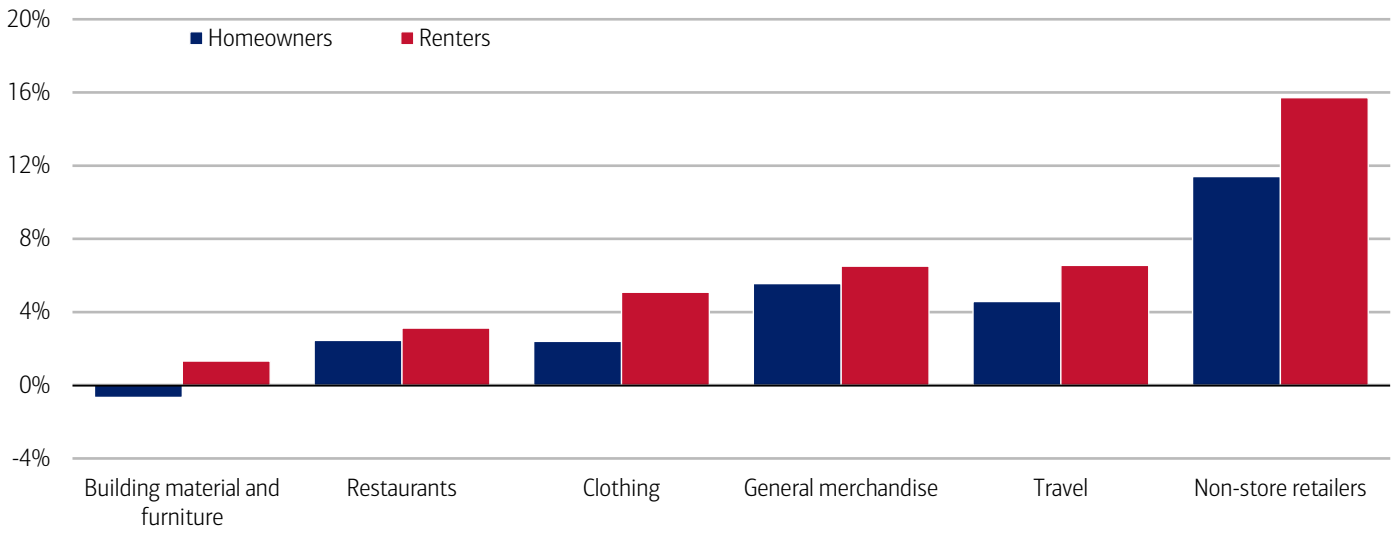
Additionally, renters are not using the extra room in their budgets to solely improve their domiciles. While their spending on building materials and furniture is growing faster than homeowners, other categories like travel, general merchandise, clothing and non-store retailers have seen stronger spending growth (Exhibit 13). In our view, it's possible that renters are moving some of their home-related spending to other channels like general merchandise and non-store retailers. Though it's also just as likely that they've traded down to preserve consumption of other items (like travel) in face of inflation.

Exhibit 13: Renters' home-related discretionary spending was not as strong as their outlays across other nice-to-have categories

Card spending by renters and homeowners for select categories (three-month moving average, YoY%)



Source: Bank of America internal data

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Methodology

Selected Bank of America transaction data is used to inform the macroeconomic views expressed in this report and should be considered in the context of other economic indicators and publicly available information. In certain instances, the data may provide directional and/or predictive value. The data used is not comprehensive; it is based on aggregated and anonymized selections of Bank of America data and may reflect a degree of selection bias and limitations on the data available.

Our analysis for domestic migration pattern is based on the group of Bank of America customers who had an open consumer checking, savings, credit and/or other investment accounts for every quarter between 1Q 2023 and 3Q 2026. Migration pattern is then extracted based on customer home addresses.

Because our data is based on a fixed sample of customers it will not capture the impact of international migration. Instead, our analysis is designed to look at how internal migration in the United States is changing. Accordingly, the overall population movements in the official Census Bureau data, which also accounts for international migration, will not necessarily align with our data in some MSAs, though our data should give similar directional signals.

Any payments data represents aggregated spend from US Retail, Preferred, Small Business and Wealth Management clients with a deposit account or credit card. Aggregated spend include total credit card, debit card, ACH, wires, bill pay, business/peer-to-peer, cash, and checks. This includes rent payments, although wires, cash, and some (mostly paper) checks intended for rent payments may be excluded.

Any **Small Business** payments data represents aggregate spend from Small Business clients with a deposit account or a Small Business credit card. Payroll payments data include channels such as ACH (automated clearing house), bill pay, checks and wire. Bank of America per Small Business client data represents activity spending from active Small Business clients with a deposit account or a Small Business credit card and at least one transaction in each month. Small businesses in this report include business clients within Bank of America and generally defined as under $5mm in annual sales revenue.

Unless otherwise stated, data is not adjusted for seasonality, processing days or portfolio changes, and may be subject to periodic revisions.

The differences between the total and per household card spending growth rate can be explained by the following reasons:

1. Overall total card spending growth is partially boosted by the growth in the number of active cardholders in our sample. This could be due to an increasing customer base or inactive customers using their cards more frequently.

2. Per household card spending growth only looks at households that complete at least five transactions with Bank of America cards in the month. Per household spending growth isolates impacts from a changing sample size, which could be unrelated to underlying economic momentum, and potential spending volatility from less active users.

3. Overall total card spending includes small business card spending while per household card spending does not.

4. Differences due to using processing dates (total card spending) versus transaction date (per household card spending).

5. Other differences including household formations due to young adults moving in and out of their parent's houses during COVID.

Any household consumer deposit data based on Bank of America internal data is derived by anonymizing and aggregating data from Bank of America consumer deposit accounts in the US and analyzing that data at a highly aggregated level. Whenever median household savings and checking balances are quoted, the data is based on a fixed cohort of households that had a consumer deposit account (checking and/or savings account) for all months from January 2019 through the most current month of data shown.

Bank of America aggregated credit/debit card spending per household includes spending from active US households only. Only consumer card holders making a minimum of five transactions a month are included in the dataset. Spending from corporate cards are excluded. Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the MCCs to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data may also be classified by other proprietary methods not using MCCs.

Metropolitan Statistical Areas (MSAs) align to US Census Regions as follows:

- Midwest: Indianapolis, Chicago, Cleveland, Columbus, Detroit, St. Louis, Louisville, Cincinnati, Milwaukee, Minneapolis, Grand Rapids, Oklahoma
- Northeast: Boston, New York City, Philadelphia, Pittsburgh, Hartford
- West: Los Angeles, San Francisco, San Jose, San Diego, Seattle, Denver, Las Vegas, Phoenix, Portland (OR), Salt Lake City, Sacramento, Riverside, Fresno
- South: Atlanta, Austin, Baltimore, Charlotte, Dallas, Houston, Jacksonville, Miami, Nashville, Orlando, San Antonio, Tampa, Washington DC, Raleigh, Birmingham, Richmond, Virginia Beach, Memphis

The Sun Belt most commonly refers to the South and Southwestern states of Florida, Georgia, South Carolina, Alabama, Mississippi, Louisiana, Texas, New Mexico, Arizona, Nevada, and California as well as the Southern portion of Colorado, North Carolina, Tennessee, and Utah.

Generations, if discussed, are defined as follows: Gen Z, born after 1996; Younger Millennials: born between 1989-1995; Older Millennials: born between 1978 and 1988; Gen Xers: born between 1965-1977; Baby Boomer: 1946-1964. Only Gen Z over 18 years of age are analyzed in this report.

Bank of America escrow payments include payments across all channels between $1,000 and $500,000.

Additional information about the methodology used to aggregate the data is available upon request.

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