

The Nation's Hottest and Coolest Rental Markets are Meeting in the Middle

Rent appreciation is slowing in many of the country's hottest rental markets, but many affordable metro areas are seeing faster price increases compared to just three months ago.

- The U.S. median rent is \$1,560 a month, up 3.2% from a year ago.
- Slowing growth in the country's hottest markets and price increases in slower areas have essentially balanced each other out over the last quarter.
- In the past quarter, rent appreciation slowed the most in San Diego, San Jose and Orlando.
- Since May, rent appreciation has sped up the most in Cincinnati, Oklahoma City and Raleigh.

SAN FRANCISCO, Sept. 26, 2019 /PRNewswire/ -- Rent appreciation has leveled out nationwide, driven in part by slowing growth in many of the nation's hottest markets, according to the latest quarterly [HotPads® Rent Report](#).

The U.S. median rent is \$1,560 a month, up 3.2 % from a year ago. Nationally, the rental market began to pick up in the middle of last year, but now rent prices have been appreciating at about the same annual rate since March 2019.

However, all real estate is local, and rent appreciation hasn't remained steady within most of the country's largest metro areas. In many of the hottest and most expensive markets, rent appreciation has slowed in recent months. In San Jose, San Francisco, Los Angeles and San Diego – the four most expensive rental markets in the country – annual rent appreciation has dropped two-tenths of a percentage point or more from May 2019. In that time, appreciation has slowed the most in San Diego – the median rent in San Diego is currently \$2,790 a month, up 3.7% from last year. As recently as May, rents in San Diego were rising 4.3% annually.

Even in many of the country's hottest markets, where rents are rising the fastest overall, there has been a slowdown in recent months. Right now, rents are rising the fastest in Phoenix, Las Vegas, Sacramento, Atlanta and Riverside, with rent price gains in each market above 5% year-over-year. However, the rate of price increases has slowed since May in Sacramento, Atlanta, and Riverside – suggesting that these markets may have recently hit a breaking point.

While the country's hottest rental markets have slowed recently, other markets – many of which are more affordable than the national median – have seen rapid growth in a short time frame. For example, the median rent in Cincinnati is \$1,300 per month, up 4.9% from this time last year. In May, rents in Cincinnati rose 4.4% annually. Right now, Cincinnati is the country's sixth fastest-growing rental market; in May, it wasn't in the top 10.

With some of the country's hottest markets cooling off and prices in some more affordable markets still on the rise, affordability concerns are becoming less constrained to renters in the country's most expensive markets. However, there is hope for renters looking to catch a break on their next home or apartment. As [the most expensive season for renters](#) draws to a close, the rental market as a whole is likely to slow down somewhat.

"The rental market is being pulled in several directions right now," said Joshua Clark, economist at HotPads. "Some of the hottest markets have hit their turning point after a year or more of increases, while other areas are steadily on the rise, causing appreciation to stall on a national level. However, this push-and-pull effect is likely temporary. Demand in the rental market typically slows in cooler months, while low mortgage rates may encourage more renters to buy – together, these factors could lead to a slower rental market throughout the remainder of 2019."

HotPads is a Zillow® Group-owned rental search platform for renters in urban areas across the United States. For more information on the U.S. rental market, visit [HotPads.com](#).

Metropolitan Area	Median Rent	Median Rent YoY (Q3 2019)	Median Rent YoY (Q2 2019)
United States	\$1,560	3.2%	3.2%
New York, NY	\$2,425	2.0%	1.8%
Los Angeles, CA	\$3,015	3.9%	4.1%
Chicago, IL	\$1,820	2.3%	2.3%
Dallas-Fort Worth, TX	\$1,720	3.3%	3.2%
Philadelphia, PA	\$1,720	3.1%	3.0%
Houston, TX	\$1,605	1.2%	1.4%
Washington, DC	\$2,220	2.4%	2.3%
Miami-Fort Lauderdale, FL	\$2,055	2.5%	2.7%
Atlanta, GA	\$1,530	5.5%	5.8%
Boston, MA	\$2,480	3.1%	3.1%

San Francisco, CA	\$3,600	3.5%	3.7%
Detroit, MI	\$1,340	3.7%	3.7%
Riverside, CA	\$2,030	5.0%	5.3%
Phoenix, AZ	\$1,580	7.3%	6.9%
Seattle, WA	\$2,310	4.3%	4.1%
Minneapolis-St Paul, MN	\$1,745	4.0%	3.9%
San Diego, CA	\$2,790	3.7%	4.3%
St. Louis, MO	\$1,235	2.7%	2.5%
Tampa, FL	\$1,530	4.6%	4.9%
Baltimore, MD	\$1,775	1.9%	1.7%
Denver, CO	\$2,170	3.9%	4.0%
Pittsburgh, PA	\$1,135	3.2%	3.3%
Portland, OR	\$1,995	3.4%	3.3%
Charlotte, NC	\$1,435	4.7%	4.7%
Sacramento, CA	\$2,065	5.7%	5.9%
San Antonio, TX	\$1,420	2.9%	2.7%
Orlando, FL	\$1,590	4.7%	5.2%
Cincinnati, OH	\$1,300	4.9%	4.4%
Cleveland, OH	\$1,235	3.2%	3.3%
Kansas City, MO	\$1,290	3.0%	2.9%
Las Vegas, NV	\$1,495	6.8%	6.8%
Columbus, OH	\$1,495	3.9%	4.2%
Indianapolis, IN	\$1,275	3.8%	3.6%
San Jose, CA	\$3,795	3.3%	3.8%
Austin, TX	\$1,795	3.7%	3.5%
Virginia Beach, VA	\$1,515	2.4%	2.1%
Nashville, TN	\$1,560	3.2%	2.9%
Providence, RI	\$1,850	4.1%	4.3%
Milwaukee, WI	\$1,410	2.3%	2.3%
Jacksonville, FL	\$1,445	4.4%	4.7%
Memphis, TN	\$1,080	3.4%	3.3%
Oklahoma City, OK	\$1,145	2.5%	2.0%
Louisville-Jefferson County, KY	\$1,165	3.0%	2.9%
Hartford, CT	\$1,700	2.2%	2.1%
Richmond, VA	\$1,495	3.8%	3.8%
New Orleans, LA	\$1,475	1.9%	1.6%
Buffalo, NY	\$1,315	3.2%	3.3%
Raleigh, NC	\$1,515	3.8%	3.3%
Birmingham, AL	\$1,075	3.3%	3.4%
Salt Lake City, UT	\$1,665	4.6%	4.8%

HotPads

HotPads is an efficient rental search platform for urban areas across the United States, with features designed for competitive markets such as map-based search, real-time notifications and detailed information on landlords and property managers that help renters spend less time searching and more time feeling excited about their next home.

Launched in 2005, HotPads is based in San Francisco and is owned and operated by Zillow Group, Inc. (NASDAQ:Z and ZG).

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