

The State of Rent: Housing Affordability Trends Across the U.S.

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INTRODUCTION

Over the past decade, the U.S. rental market has undergone significant shifts, shaped by economic turbulence, demographic trends, and evolving policy decisions. Factors like pandemic-driven migration patterns, labor market transformations, fluctuating inflation and interest rates, and housing supply challenges have all influenced rent prices nationwide.

The COVID-19 pandemic triggered a wave of disruption when record-low mortgage rates fueled a surge in home buying, temporarily softening rental demand. Post-pandemic, as interest rates climbed and inflation persisted, housing affordability declined and demand for rentals increased, driving rent prices higher in many regions.

This report breaks down the changing rental market landscape in the U.S., examining where rents have risen the most, where they have remained stable, and what these patterns mean for national housing affordability. By analyzing data based on rent payments collected by landlords and property managers nationwide from 2019 to 2024, our team of rental industry experts provides insights into the trends shaping the rental market in 2025.

MAY IS NATIONAL AFFORDABLE HOUSING MONTH

Affordable Housing Month serves as an annual reminder of the importance of accessible, secure housing and is a time to explore the challenges and opportunities in housing affordability. With over 100 million renters in the U.S., Rentec Direct is committed to sharing data and insights that empower tenants, landlords, property managers, and real estate investors to make more informed decisions and navigate an evolving rental market.

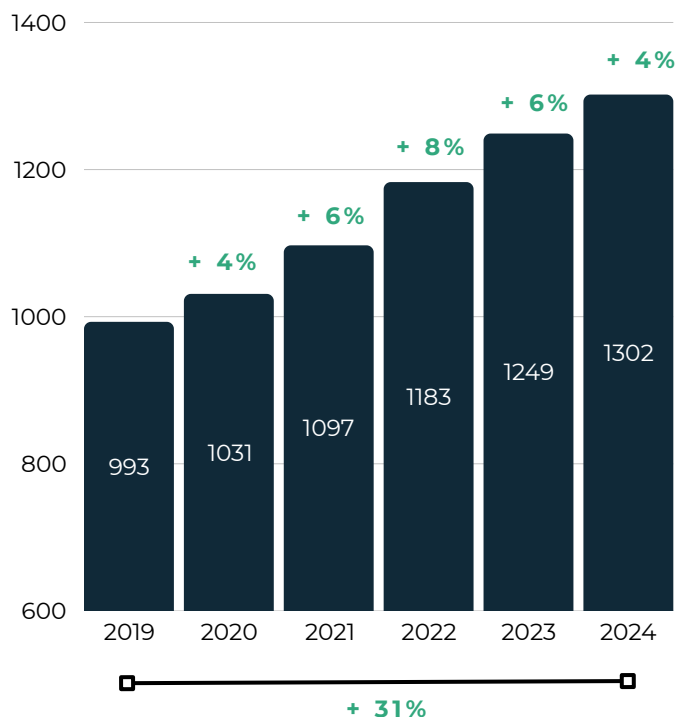
RENT PAID VS. RENT ADVERTISED

Data in this report reflects actual rent payments made by tenants, not advertised rent prices for vacant units. Averages are based on rent transactions per unique lease agreements. This distinction is important because actual rent payments are often lower than advertised prices, especially in areas with rent control laws, where existing rents can be below current market rates. Advertised rent doesn't account for discounts or negotiations, so analyzing actual rent transactions offers a more accurate snapshot of what tenants are actually paying across the U.S.

HOW MUCH ARE TENANTS REALLY PAYING IN RENT? A STATE-BY-STATE BREAKDOWN

- The national average monthly rent paid by tenants in 2024 was **\$1,302**, reflecting a **31% increase** over the past five years.
- The most significant year-over-year increase was from **2021 to 2022** when the national average rent paid **jumped by 8%**. This could be due to landlords offering more flexibility with rent payments during the pandemic, including larger discounts or allowing late payments without penalty.
- The **Pacific** appears to dominate as the most expensive rental market, while the **South and Midwest** offer the most affordable options.

Year-Over-Year National Average Rent



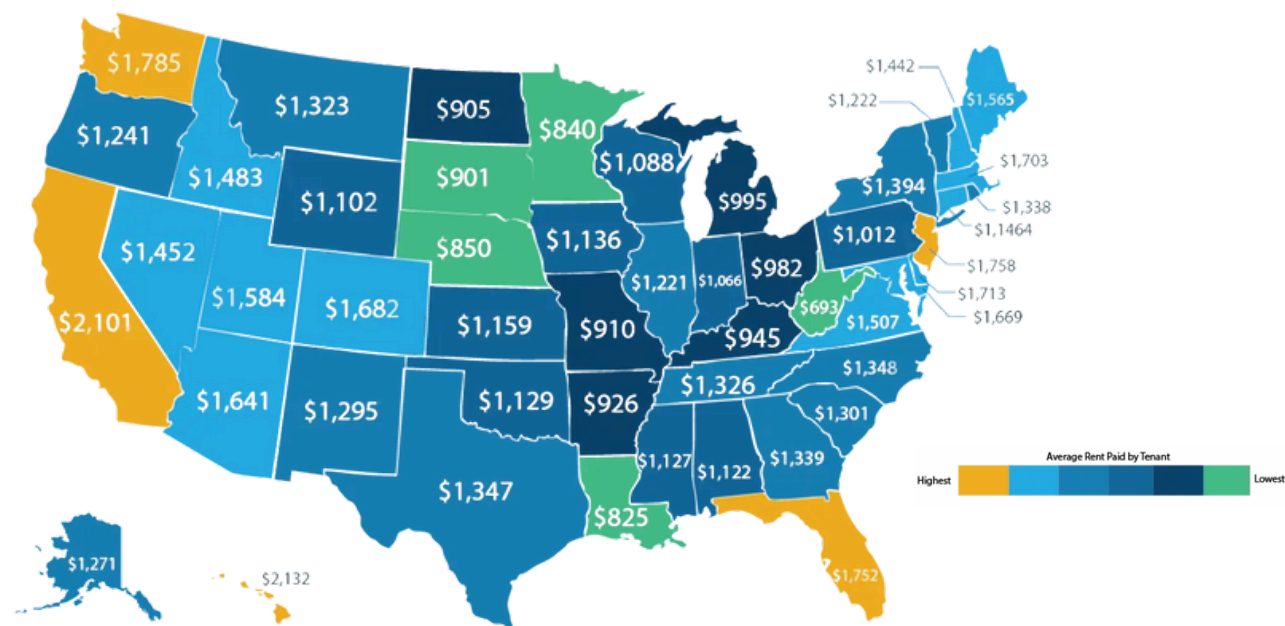
The states with the highest average rent paid by tenants in 2024:

1. Hawaii (\$2,132)
2. California (\$2,101)
3. Washington (\$1,785)
4. New Jersey (\$1,758)
5. Florida (\$1,752)

The states with the lowest average rent paid by tenants in 2024:

1. West Virginia (\$693)
2. Louisiana (\$825)
3. Minnesota (\$840)
4. Nebraska (\$850)
5. South Dakota (\$901)

2024 AVERAGE RENT BY STATE

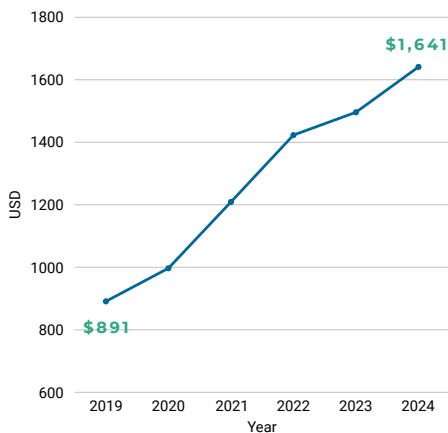


Alabama	\$1,122	Indiana	\$1,066	Nebraska	\$850	South Carolina	\$1,301
Alaska	\$1,271	Iowa	\$1,136	Nevada	\$1,452	South Dakota	\$901
Arizona	\$1,641	Kansas	\$1,159	New Hampshire	\$1,442	Tennessee	\$1,326
Arkansas	\$926	Kentucky	\$945	New Jersey	\$1,758	Texas	\$1,347
California	\$2,101	Louisiana	\$825	New Mexico	\$1,295	Utah	\$1,584
Colorado	\$1,682	Maine	\$1,565	New York	\$1,394	Vermont	\$1,222
Connecticut	\$1,464	Massachusetts	\$1,703	North Carolina	\$1,348	Virginia	\$1,507
Delaware	\$1,713	Maryland	\$1,669	North Dakota	\$905	Washington	\$1,785
Florida	\$1,752	Michigan	\$995	Ohio	\$982	West Virginia	\$693
Georgia	\$1,339	Minnesota	\$840	Oklahoma	\$1,129	Wisconsin	\$1,088
Hawaii	\$2,132	Mississippi	\$1,127	Oregon	\$1,241	Wyoming	\$1,102
Idaho	\$1,483	Missouri	\$910	Pennsylvania	\$1,012		
Illinois	\$1,221	Montana	\$1,323	Rhode Island	\$1,338		

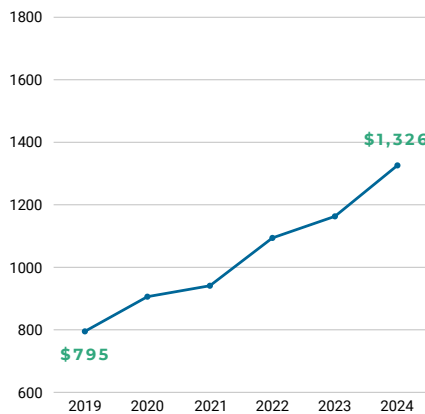
REGIONAL RENT TRENDS: WHERE RENTS ARE RISING, FALLING, OR STABILIZING

These states experienced the most significant increases in the average rent paid by tenants over the past five years.

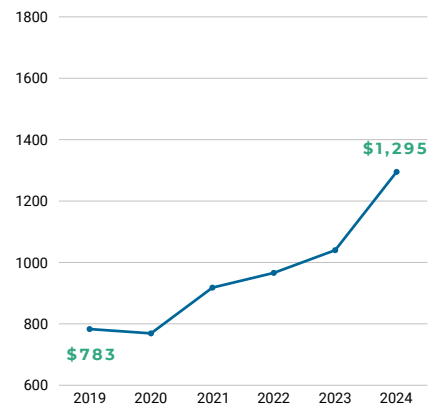
AZ SAW AN 84% INCREASE



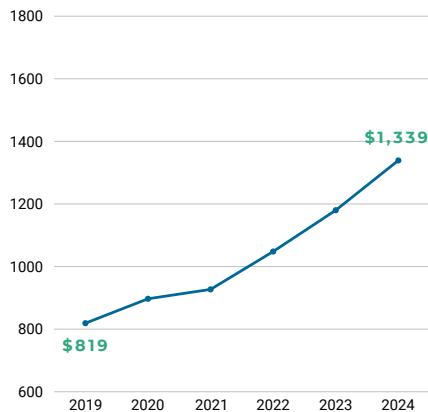
TN SAW A 67% INCREASE



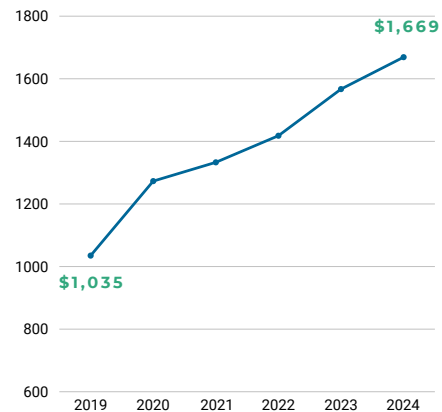
NM SAW A 65% INCREASE



GA SAW A 63% INCREASE



MD SAW A 61% INCREASE



OTHER NOTABLE INCREASES:

SOUTH CAROLINA (+56%)

ALASKA (+54%)

IDAHO (+54%)

MONTANA (+54%)

WYOMING (+53%)

RENTS ON THE RISE: INSIGHTS ON HIGH-GROWTH HOT SPOTS

None of these states have rent control at the state level, allowing landlords to raise rents without any caps as long as they comply with local ordinances and notice requirements.

Arizona has one of the fastest-growing populations in the country—especially among retirees—while also facing a significant housing shortage. This combination is driving up demand. Several large companies have relocated their headquarters to Arizona in recent years, including Dutch Bros, DoorDash, and Comtech, further adding to this pressure.

Tennessee's strong economic and job growth, favorable business climate, and low taxes are attracting more people to the state, driving demand for housing and creating greater competition.

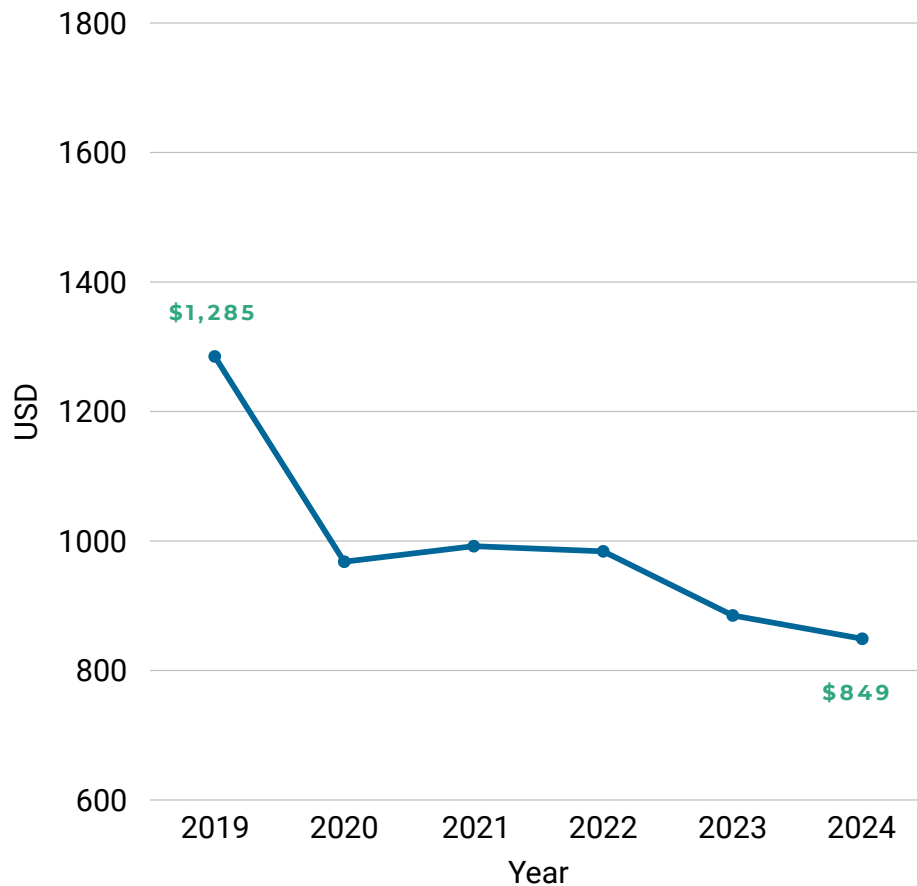
New Mexico has become an attractive alternative for people relocating from high-cost states like California, but housing shortages—particularly in rural parts of the state—remain a major issue. Growth in non-traditional sectors like renewable energy and defense contracting have contributed to job growth and demand for housing.

A recent construction boom in **Georgia** added thousands of new units in the metro Atlanta area, but rents are still trending upward as inventory is absorbed. [One study](#) suggests that large corporations own a significant portion of the state's single-family homes, and this concentration of ownership contributes to rising rents.

Maryland's proximity to D.C., strong job market and economic growth, and a significant number of affluent suburbs attract high-income residents, all driving demand for housing in a state with limited land for new construction.

South Carolina is attracting a large retirement and remote worker population, increasing demand in both urban and rural areas. Similarly, states like Idaho and Montana have become popular relocation and recreation destinations, further intensifying pressure on rental markets.

Minnesota experienced a **34% decrease** in the average rent paid by tenants over the past five years.



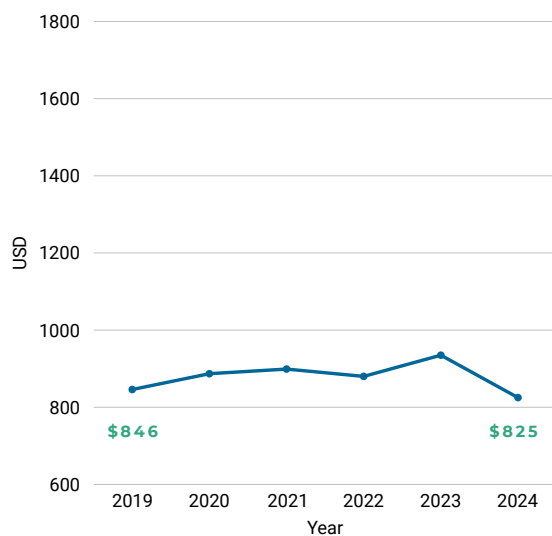
Trends Driving Change in Minnesota's Rental Market

Minnesota is undergoing major land use reforms aimed at increasing housing supply and reducing housing costs by promoting diverse housing options. Implemented in 2020, the Minneapolis 2040 plan eliminated single-family zoning in certain areas to allow for higher-density housing development, and the current "Yes to Homes" bill proposes eased zoning restrictions, streamlined apartment construction, and increased availability of accessory dwellings, townhomes, and duplexes.

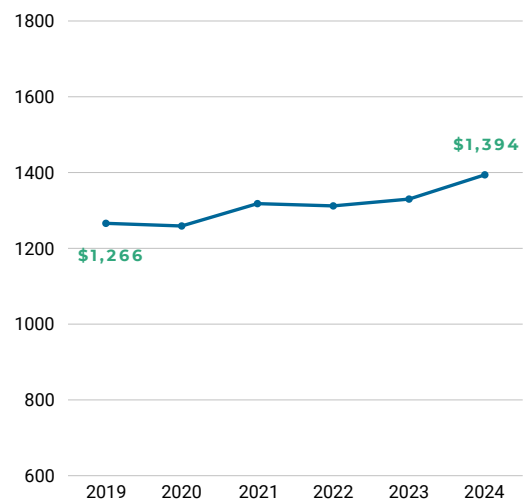
Preliminary data shows rising rents in Minnesota in Q1 2025, but averages are still well below levels seen before land use reform legislation introduced in 2020.

These states experienced the smallest changes in the average rent paid by tenants over the past five years, indicating a potential shift toward stabilization. This suggests that while affordability challenges persist in many regions, some states are seeing a slowdown—or even a reversal—of rapid growth in rental prices.

LOUISIANA



NEW YORK



Local Policies and Regional Events Shape Rent Prices

Following the devastation of hurricanes like Katrina and Ida, **Louisiana's** rental market experienced significant disruptions and slower economic growth compared to other states. As recovery and reconstruction efforts add new housing, the market is finding more balance, which can lead to stabilization in rent prices. An increase in rental vacancy rates also contributes to stabilization as landlords compete to maintain occupancy and fill vacant units.

Several municipalities throughout **New York** have implemented rent control or rent stabilization systems intended to protect tenants from excessive rent increases and evictions. These measures can often positively impact affordability in high-demand areas. The exodus of residents during the pandemic temporarily reduced rental demand, and as the city recovers and demand returns, rent prices are gradually stabilizing.

PANDEMIC-ERA RENTAL MARKET SHIFTS

The COVID-19 pandemic created a complex, highly volatile rental market in the U.S., with several key factors influencing rent payments.

EVICTION MORATORIUMS & RENTAL ASSISTANCE:

Federal and state-level eviction bans allowed tenants to stay in rentals despite missed payments, while government rental assistance programs provided some relief to both tenants and landlords. Some areas implemented stricter rent control and tenant protection policies, further impacting prices.

UNEMPLOYMENT & STIMULUS PAYMENTS:

Widespread job losses created financial instability for millions of renters, though stimulus checks and expanded unemployment benefits temporarily eased financial strain for some households.

MIGRATION & POPULATION SHIFTS:

Increasing remote work opportunities prompted mass relocation, driving up demand and rent prices in suburban and smaller metro areas while temporarily softening demand in more expensive urban centers.

SUPPLY CHAIN DISRUPTIONS & CONSTRUCTION DELAYS:

Labor shortages, material costs and supply chain challenges slowed new housing construction, limiting rental supply and contributing to rising rents as demand rebounded.

INFLATION & INTEREST RATE FLUCTUATIONS:

Higher living costs, including utilities, property taxes and maintenance expenses, led landlords to raise rents to offset their own financial burdens. Historically low mortgage rates early on in the pandemic initially encouraged homebuying, temporarily easing rental demand, but rising rates later on pushed more people back into the rental market.

These states experienced the most dramatic changes in average rent paid by tenants from 2019 to 2022, reflecting the pandemic's impact on housing demand, affordability, and migration trends.

ARIZONA

↑ \$532

DELAWARE

↑ \$447

WASHINGTON

↑ \$436

NEW JERSEY

↑ \$422

MARYLAND

↑ \$383

UTAH

↑ \$351

NORTH CAROLINA

↑ \$317

MINNESOTA

↓ \$301

California, Florida, and Hawaii also experienced significant rent spikes during the pandemic, driven by shifting migration patterns and increased housing demand as remote work allowed Americans to seek out suburban areas with warmer climates.

In contrast, **Connecticut** was one of the only states to see a sharp decline in rent during the early stages of the pandemic (-\$181 from 2019 to 2021), followed by a dramatic rebound the next year (+\$303 from 2021 to 2022). This is likely a result of residents fleeing densely populated areas like New York City for less expensive, less crowded environments but then returning to urban areas post-pandemic. This volatility underscores how external economic factors and demand shifts can drastically impact rental prices over short periods.

KEY TAKEAWAYS FOR TENANTS AND LANDLORDS

Implications & Advice for Tenants

Prospective renters should carefully research local market conditions to make informed decisions before committing to a lease. Affordability remains a growing challenge, but tenants may find greater flexibility by considering less expensive suburban or rural areas—though these markets may also bring increased competition. Tenants will find the highest costs, fewest available options, and most intense competition in regions with limited new housing development.

Prioritize a positive landlord-tenant relationship—Landlords are more likely to offer discounts or incentives for lease renewals to great tenants. Turnover can be costly, so building a strong relationship with your landlord and being a reliable, rule-abiding tenant can increase the likelihood of your landlord working with you on favorable terms.

Report maintenance issues immediately—Rent increases happen as the cost of property upkeep increases. Renters who address maintenance issues early and before they lead to extensive damages can minimize the overall cost burden on landlords to maintain the property.

Negotiate your lease terms—Tenants always have the option to negotiate the terms of their lease agreement—for reduced rent, shorter or longer leases, or added perks like parking, updated appliances or pet accommodations. Before signing a lease, take time to carefully review all terms and conditions, especially those related to rent increases, renewal clauses and additional fees.

Implications & Advice for Landlords

Landlords in high-demand areas may experience greater profitability but should prioritize tenant retention strategies to minimize turnover and avoid vacancies. In areas where rent prices are stabilizing or declining, landlords may need to adapt by offering more competitive pricing or added amenities to attract and retain tenants. Landlords should expect to continue navigating increased maintenance and operating costs due to inflation and supply chain disruptions, making flexibility in pricing adjustments or other incentives essential to stay competitive.

Small but regular rent increases are key—Raising rents in small increments year over year can help meet inflation demands over time while improving affordability for existing tenants.

Incentivize long-term tenants—Turnover and vacancies will have the biggest impact on your bottom line, and these vacancy periods can be longer in a challenging market for renters. Consider offering incentives like discounted rent, free parking, or amenity upgrades for tenants who commit to longer lease terms.

Stay informed on local laws and regulations—Stay up-to-date on any local or statewide regulations covering rent control, evictions, and other tenant rights to make sure your practices stay compliant. Familiarize yourself with the differences between rent control and rent stabilization, and be transparent about any rent increases at your properties with clear and advance notice. Being upfront about the need for rent increases can often help tenants better understand and accept the change.

RENTAL MARKET TRENDS TO WATCH IN 2025

- **Slower rent growth:** Preliminary data from 2025 indicates that average rents continue to trend upward, but at a slower pace than the past five years. Factors like higher interest rates, inflation, and tighter consumer budgets could contribute to slower rent growth.
- **Local market variations:** Some states, like North Dakota and New Hampshire, have seen declines in average rent paid in Q1, though it's still too early to determine whether these trends will stabilize or rise as the year progresses. These declines may be driven by unique regional factors and may not be representative of broader national trends, or they may signal market corrections after rapid growth in recent years.
- **High demand in high-growth states:** States like Arizona, California, Hawaii, and Delaware are still experiencing significant rent increases—not surprising in markets with growing populations and economic opportunities but limited housing supplies.
- **Ongoing affordability challenges:** Although the rate of rent growth may slow down, rental prices are still rising and affordability remains a crucial concern in many parts of the country—especially in major metro areas.

Climate risks will reshape rental markets

The increasing frequency and severity of natural disasters will continue reshaping the rental market in 2025. Investors are already retreating from high-risk areas like Florida, Texas and California as hurricanes intensify in the East and wildfires escalate in the West, impacting insurance, financing and property values. Higher operating costs in vulnerable areas will require strategic risk management for landlords, though more risk-tolerant investors may find new opportunities. Tenants could see increased availability and lower rents but must weigh affordability against the risks of living in disaster-prone areas.

Alternative housing will gain momentum

As affordability and flexibility remain top priorities for renters, alternative housing options will continue to gain popularity. Coliving agreements (renting out individual rooms in shared homes), build-to-rent developments (properties designed and built specifically for rental occupancy), and conversion projects (transforming commercial or institutional buildings into multi-family housing) will become more common across the country. These models offer cost-effective solutions for tenants and new revenue streams for landlords.

Landlord-tenant legislation will limit supply

Increasing legislation impacting landlord-tenant laws makes some markets less attractive for real estate investors. Oregon serves as an example of a state where stringent regulations make profitability increasingly challenging for landlords in today's economy, causing many landlords to exit the market and resulting in limited supply and higher rent prices. Similar trends in other states with tightening regulations could limit supply and further drive up rent prices—investors should keep a close eye on local and state regulations to assess profitability.

Supply chain constraints will continue to impact pricing

Ongoing supply chain disruptions and material availability for new construction continue to push up costs and delay timelines for new housing. This lack of inventory will continue to strain the rental market, particularly in high-demand metro areas where demand outpaces supply. Landlords and developers will need to adapt by exploring alternative construction materials and methods, and tenants should anticipate increased rents in areas with construction bottlenecks.

METHODOLOGY

Rentec Direct collected aggregated anonymous rent payment data from users of its software platform from 2019 to 2024. This data represents information from 301,052 rental properties and 351,524 tenants nationwide. It includes 374,475 unique residential lease agreements, covering single-family and multi-family properties, individual rooms rented, and mobile homes. Rent payments on commercial properties are not included in this dataset. Rent values above \$20,000 were omitted to avoid skewing the data and to ensure a more accurate representation of typical rent trends.

This data was pulled from clients using Rentec Direct's property management software platform. It is intended to show trends only and may not be a perfectly representative sample of the industry as a whole.

ABOUT RENTEC DIRECT

Rentec Direct provides industry-leading property management software and tenant screening solutions for real estate professionals. Key features include online rent payments, a mobile app and tenant portal, vacancy listing syndication, and accounting tools. Founded in 2007, Rentec Direct is the third-largest software in its sector and is consistently the highest-rated by investors, landlords, and property managers. Recognized on the Inc. 5000 list of fastest-growing private companies for eight consecutive years, Rentec Direct was also named Real Estate Company of the Year in the 2024 American Business Awards and listed among the U.S. Chamber of Commerce's Top 100 Small Businesses.

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