RENTEC DIRECT

THE STATE OF RENT 2026: What Renters Are Actually Paying

October 2026

INTRODUCTION

AVERAGE RENT PAID NEARS $1,400 AS GROWTH CONTINUES TO COOL

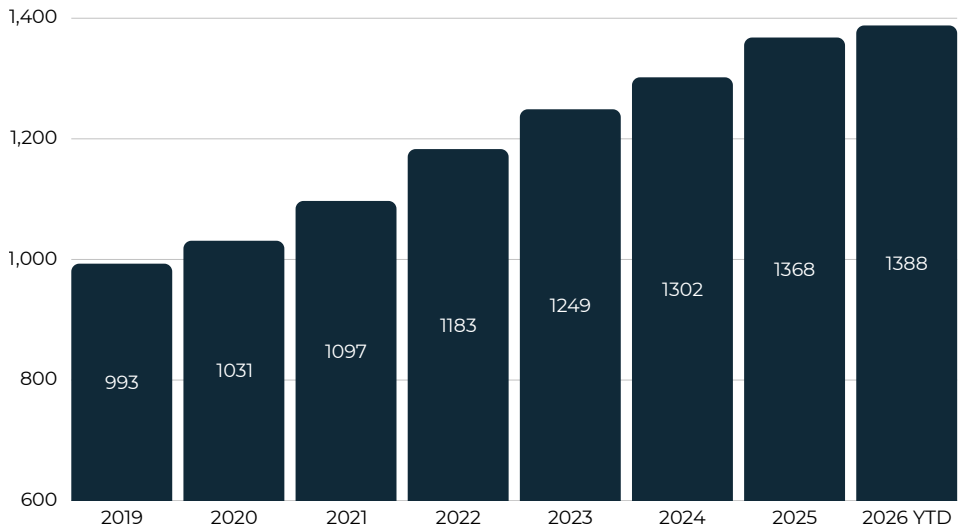
Housing affordability remains a top concern for many U.S. households, yet most rental market reports rely on advertised rents for vacant units—not on what renters actually pay each month.

The State of Rent offers a different perspective.

Drawing on real rent payment data from thousands of rental units managed through the Rentec Direct platform, this report reveals what renters are paying nationwide. The latest findings show that while the national average monthly rent has reached a new high, rent growth is stabilizing, with notable shifts emerging at the state level.

Understanding the real cost of renting—not just advertised rents—provides a clearer picture of housing affordability and the trends shaping today's market for more than 100 million renters across the U.S.

National Average Monthly Rent Paid



KEY FINDINGS

Renters are feeling the pressure. Average rent paid has increased $375 per month since 2019—a 38% jump. 2026 YTD data shows the upward trend continuing, with average rent reaching $1,388.

Rent growth is slowing. While average rent paid increased 5% in 2025, 2026 YTD data shows a much more moderate 1% increase.

The affordability gap is massive. In 2025, renters in California paid $1,626 more per month (3 times as much) than renters in West Virginia. YTD 2026 data shows Hawaii reclaiming the title of highest-cost state.

Rent trends are moving in different directions. From 2024 to 2025, 41 states experienced rent increases, while only 9 states saw declines. Nearly half of all states (24) recorded rent growth above the national rate of 5%.

WHERE RENTERS ARE PAYING THE MOST (AND LEAST)

In 2025, coastal states dominated the highest-cost markets, while more affordable markets were concentrated in the Midwest and South.

3 states where rent exceeded $2,000:

1. California: $2,399
2. Hawaii: $2,185
3. New Jersey: $2,037

7 states where rent stayed below $1,000:

1. West Virginia: $773
2. Nebraska: $838
3. North Dakota: $840
4. Arkansas: $953
5. Missouri: $959
6. Minnesota: $970
7. Kentucky: $974

WHERE RENT IS RISING AND FALLING

Rent increased the most in these states (2024-2025):

CONNECTICUT	↑ $346	↑ 24%
CALIFORNIA	↑ $298	↑ 14%
NEW JERSEY	↑ $279	↑ 16%
NEW YORK	↑ $206	↑ 15%
LOUISIANA	↑ $198	↑ 24%
SOUTH CAROLINA	↑ $179	↑ 14%
MONTANA	↑ $142	↑ 11%
SOUTH DAKOTA	↑ $136	↑ 15%
MINNESOTA	↑ $130	↑ 16%

Rent declined the most in these states (2024-2025):

NEW MEXICO	↓ $127	↓ 10%
COLORADO	↓ $121	↓ 7%
NORTH DAKOTA	↓ $66	↓ 7%
TENNESSEE	↓ $66	↓ 5%

MARKETS TO WATCH:
EARLY 2026 SIGNALS

MARKETS SHOWING SIGNS OF COOLING

States that saw some of the strongest rent increases in 2025 are now losing momentum in 2026 YTD data. Montana, New Jersey, New York and California shifted from double-digit rent growth in 2025 to rent declines in 2026 YTD.

	2025 GROWTH	2026 YTD TREND
MONTANA	↑ 11%	↓ 12%
NEW JERSEY	↑ 16%	↓ 9%
NEW YORK	↑ 15%	↓ 8%
CALIFORNIA	↑ 14%	↓ 3%

MARKETS SHOWING SIGNS OF REBOUND

States that experienced rent declines in 2025 are showing renewed growth in 2026 YTD data. Vermont, North Dakota and New Mexico saw rents fall in 2025 before rebounding in early 2026.

	2025 GROWTH	2026 YTD TREND
VERMONT	↓ 4%	↑ 13%
NORTH DAKOTA	↓ 7%	↑ 10%
NEW MEXICO	↓ 10%	↑ 9%

MARKETS STILL GAINING MOMENTUM

Some states are seeing accelerated rent growth in 2026 YTD.

	2025 GROWTH	2026 YTD TREND
CONNECTICUT	↑ 24%	↑ 12%
HAWAII	↑ 3%	↑ 28%
IDAHO	↑ 3%	↑ 14%

MARKET SPOTLIGHTS

🌺 HAWAII: THE AFFORDABILITY PRESSURE STORY

Hawaii's sharp rent increase stands out nationally, with average rent nearing $2,800 in 2026 YTD. The surge highlights how local market conditions, including limited housing availability and sustained demand, can intensify affordability challenges, even as national rent growth begins to slow.

🏔️ MONTANA: THE COOLING BOOM MARKET

Montana's rental market shows one of the sharpest reversals in the country. Following significant pandemic-era demand that pushed rents higher, the state's average rents are declining in 2026 YTD, signaling potential rebalancing after a period of rapid growth.

🏙️ NEW JERSEY & NEW YORK: MARKETS BEGIN TO REBALANCE

After some of the strongest rent growth in 2025, states like New Jersey and New York have shifted into decline in 2026 YTD. The reversal shows that even large, high-cost rental markets can shift quickly when affordability pressures and market conditions change.

🌲 IDAHO: GROWTH PRESSURES CONTINUE

While many markets are showing signs of cooling, Idaho continues to see upward rent growth. After modest growth in 2025, rents are accelerating in 2026 YTD, illustrating that some markets continue to experience rising costs despite broader national slowdown.

EXPERT INSIGHTS:

Perspective from Nathan Miller, Founder and CEO of Rentec Direct, real estate investor and Pacific Northwest landlord.

“Rent growth is slowing, but affordability pressures remain. Nationally, the pace of rent increases is beginning to moderate, but average rents are still almost 40% higher than they were in 2019. For many households, that’s the reality that matters most—today’s rents are built on a much higher baseline, making affordability one of the biggest challenges facing renters.”

“**Rental markets are becoming increasingly regional.** A key takeaway from this data is that there is no longer a single national rental market. One of the more surprising findings was seeing some of the largest rent increases occur in relatively affordable markets like Louisiana, South Dakota and Minnesota—not just in traditionally high-cost markets like California and New York. Local supply, operating costs, economic conditions and regional demand are increasingly shaping rent trends in ways that national averages can’t fully explain.”

“**Early 2026 data suggests we’re entering a new phase of the rental market.** After years of widespread rent acceleration, we’re seeing a more balanced market emerge. Conditions are starting to normalize, but that normalization won’t look the same everywhere. Affordability challenges aren’t over, but the next chapter of the rental market will increasingly be shaped by local economic conditions rather than broad national trends."

WHAT THIS MEANS FOR HOUSING PROVIDERS

- **Local data matters more than national averages.** The next phase of the rental market will reward data-driven decisions over broad assumptions. Market-level insights will be crucial for smart pricing and investment decisions.
- **Pricing strategies will require more nuance.** As rent growth slows, success won’t come from simply raising rents. Landlords and property managers will need to balance market conditions with resident expectations.
- **Tenant retention becomes increasingly valuable.** In a more normalized market, reducing vacancies and tenant turnover will become even more important. Strong, long-term relationships and a positive tenant experience are key competitive advantages.

METHODOLOGY

This report analyzes aggregated, anonymous rent payment data from more than 600,000 rental properties managed through the Rentec Direct platform. The dataset includes single-family and multifamily properties, individual rooms and mobile homes, and excludes commercial properties. Rent payments above $20,000 were omitted as outliers. This report is intended to identify trends and may not fully represent the U.S. rental market as a whole.

Rent Paid vs. Advertised Rent

Data in this report reflects actual rent payments made by tenants, not advertised rent prices for vacant units. Averages are based on real rent transactions from unique lease agreements, providing a more accurate picture of what renters are actually paying each month. Advertised rents can differ from actual payments because they may not reflect existing lease rates, rent control policies, discounts or negotiated prices.

ABOUT RENTEC DIRECT

Rentec Direct provides industry-leading property management software and tenant screening solutions for real estate professionals across the small, mid and large property management segments. Key features include online rent payments, a mobile app and tenant portal, vacancy listing syndication, and robust accounting tools. Founded in 2007, Rentec Direct is the largest software platform serving both landlords and property managers, with more five-star reviews than any other property management software.

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