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## Redfin Reports Rents Drop to Lowest Level in a Year

*The median U.S. asking rent is up just 1.7% from a year ago—the smallest gain in nearly two years—as landlords grapple with vacancies due to still-high rental costs and rising supply*

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) —The median U.S. asking rent rose 1.7% year over year to \$1,937 in February—the smallest increase in nearly two years and the lowest level in a year, according to a new [report](#) from Redfin ([redfin.com](https://www.redfin.com)), the technology-powered real estate brokerage. Rents were up nearly 10 times that much (16.5%) a year earlier.

February was the ninth straight month in which rent growth slowed on a year-over-year basis. Rents fell 0.3% from a month earlier. Still, the median asking rent remained 21.4% higher than it was in February 2020, the month before the coronavirus was declared a pandemic.

Rent growth has cooled as persistently high housing costs, inflation, recession fears and a slowdown in household formation have made people less likely to move, putting a damper on demand for new leases. A jump in supply due to a boom in apartment construction has also contributed to the slowdown in rent growth. The number of apartments under construction is up 24.9% year over year to 943,000, the highest level since 1974, according to a recent report from the National Association of Home Builders.

“Landlords are slowing their roll on rent increases because they’re grappling with a rise in vacancies as an influx of new apartments hits the market and demand slows from its peak,” said Redfin Deputy Chief Economist Taylor Marr. “Rents are likely close to hitting a floor, though. That’s because stubbornly high inflation is boosting expenses for landlords, so instead of dropping rents they may seek to lure renters with other concessions, like free parking or a discounted security deposit.”

Marr continued: “While rent growth has slowed, it hasn’t slowed quite as much as expected—in part because the labor market has held up better than anticipated, which has helped prop up demand. This is likely a reason overall inflation remains stubbornly high, as rent growth is a major contributor to inflation.”

### Rents Declined in 11 Major U.S. Metro Areas

1. [Austin, TX](#) (-6.5%)
2. [New Orleans, LA](#) (-6.4%)
3. [Phoenix, AZ](#) (-4%)
4. [Minneapolis, MN](#) (-3.5%)
5. [Dallas, TX](#) (-2.6%)

6. [Baltimore, MD](#) (-2.2%)
7. [Houston, TX](#) (-1.9%)
8. [Birmingham, AL](#) (-0.5%)
9. [Chicago, IL](#) (-0.5%)
10. [Denver, CO](#) (-0.3%)
11. [Virginia Beach, VA](#) (-0.2%)

### **Raleigh Saw the Largest Rent Increase**

1. [Charlotte, NC](#) (14.3%)
2. [Columbus, OH](#) (12.6%)
3. [Milwaukee, WI](#) (9.5%)
4. [Nashville, TN](#) (9.0%)
5. [Indianapolis, IN](#) (8.5%)
6. [Kansas City, MO](#) (8.3%)
7. [Hartford, CT](#) (6%)
8. [Buffalo, NY](#); [Providence RI](#) (5.9%)
9. [Cincinnati, OH](#); [Louisville, KY](#); [Memphis, TN](#) (5.5%)
10. [Riverside, CA](#); [San Diego](#) (5.3%)

To view the full report, including charts, full metro-level breakouts and methodology, please visit: <https://www.redfin.com/news/redfin-rental-report-february-2023/>

### **About Redfin**

Redfin ([www.redfin.com](http://www.redfin.com)) is a technology-powered real estate company. We help people find a place to live with brokerage, instant home-buying (iBuying), rentals, lending, title insurance, and renovations services. We sell homes for more money and charge half the fee. We also run the country's #1 real-estate brokerage site. Our home-buying customers see homes first with on-demand tours, and our lending and title services help them close quickly. Customers selling a home can take an instant cash offer from Redfin or have our renovations crew fix up their home to sell for top dollar. Our rentals business empowers millions nationwide to find apartments and houses for rent. Since launching in 2006, we've saved customers more than \$1 billion in commissions. We serve more than 100 markets across the U.S. and Canada and employ over 6,000 people.

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