

The State of the

U.S. Rental Housing Market Report



2025



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The 2025 U.S. rental market reflects the overall state of the U.S. economy. Influenced by shifting market forces, and economic uncertainties, there are signs that these changes will continue to impact the rental market for the foreseeable future.

Today's landlords and property managers must navigate the complexities of an evolving rental landscape to succeed in finding and retaining quality tenants. Understanding shifts in renter demographics, financial behaviors, and lifestyle preferences is essential.

Additionally, staying informed about the supply and demand for affordable rentals can provide crucial insights into market dynamics. With a deeper understanding of these trends, landlords can better identify and attract renters who are more likely to maintain long-term leases, thereby ensuring stable and consistent occupancy.

This report examines the current forces transforming the rental market and reveals three major takeaways:

- **Today's renter profile:** Renters in every age group are facing increasing financial pressures and potential affordability issues. Increasing debt burden and high-cost rentals are impacting the whole spectrum in renters across different income ranges and demographics in unique ways.
- **Rental market fluctuations:** Across the US, the rent-to-income ratios continue to trend upward as rents increase and incomes stagnate, resulting in higher cost-of-living.
- **Macroeconomic trends impacting housing:** Economic uncertainty, interest rates, unemployment, consumer sentiment, and housing development have both short- and long-term impact on the rental market.

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About this report

In this report, Experian® housing data scientists and analysts offer key insights into the U.S. housing market's impact on renters. It breaks down recent trends and how they reflect the current state of residents, rent obligations and the economic climate of the rental market. The report also highlights how reporting rental payment history can help consumers build a positive credit profile, while simultaneously providing property managers and landlords with a more comprehensive view of an applicant's risk profile.

The analysis in this report is derived from Experian's rich data assets, attributes, and models, including Experian credit attributes and models, the U.S. Census Bureau data and Experian® RentBureau®. RentBureau is the largest rental payment database that contains more than 43 million renter profiles.

A note about data sources

While RentBureau doesn't represent the total U.S. rental market population, internal studies reveal RentBureau data aligns closely to historical U.S. Census data studies, which provides confidence in the deeper understandings aggregated in the report. Projections are based on data released before March 2025.

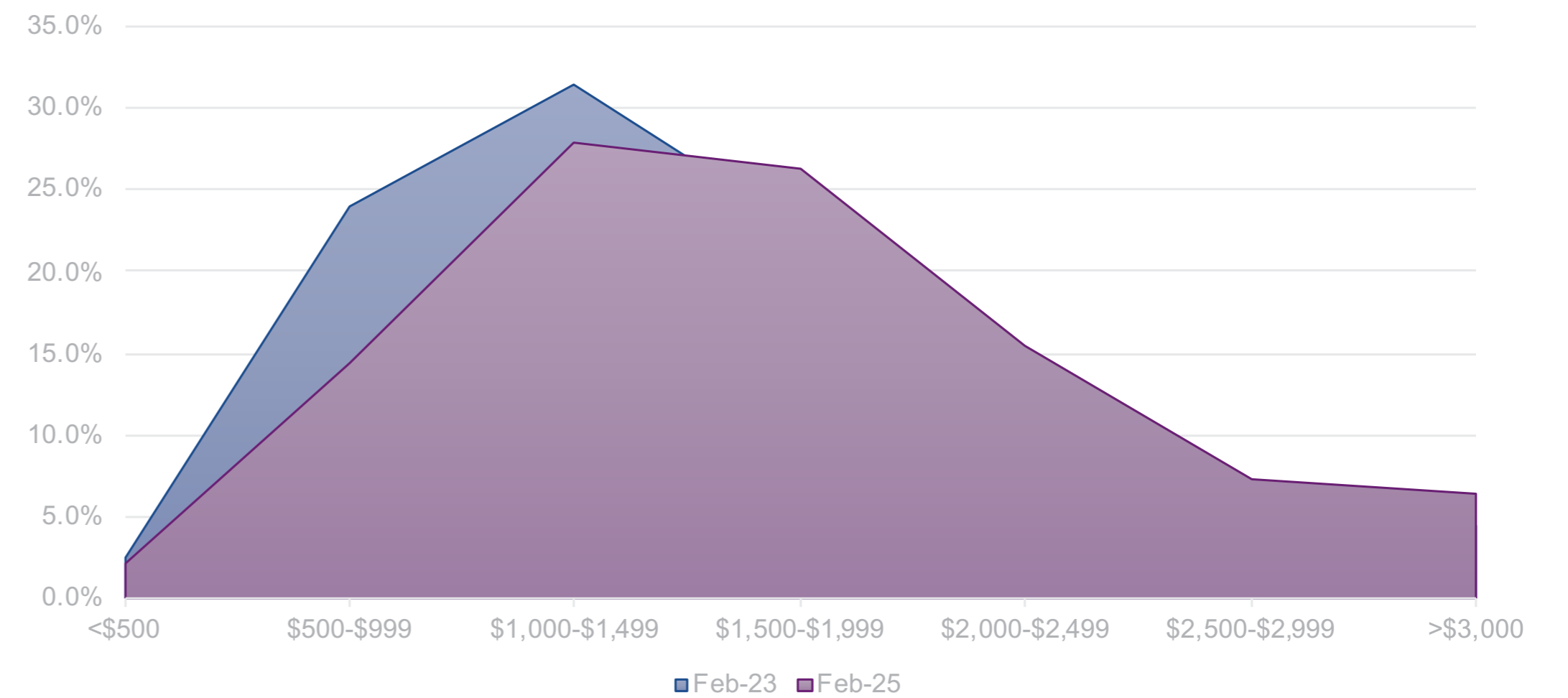
This report provides a comprehensive overview of key developments in the U.S. rental market over the past year. Pairing unique rental data with modeled credit attributes and economic insights provides comprehensive insights into the current rental housing market. Renters, landlords, and real estate professionals alike should understand these dynamics as it is essential for making informed decisions in this rapidly changing environment.

Who is today's renter?



The U.S. rental market is shifting. Stagnant interest rates and changing economic and regulatory conditions are intensifying concerns about housing affordability as renters face rising living costs and income pressures. To understand where the market is headed, let's take a closer look at who exactly is renting in the U.S. today.

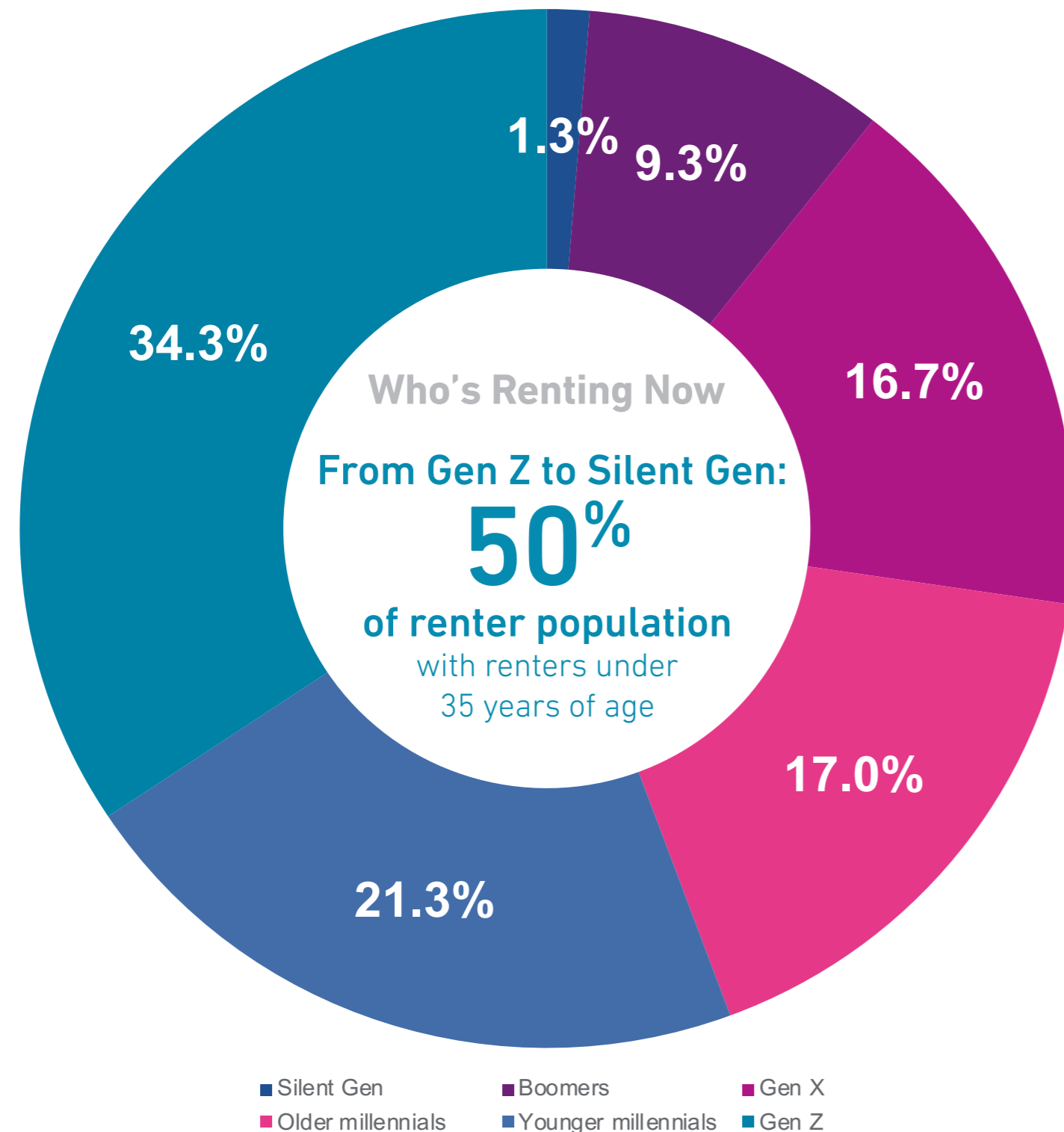
Rent Amount Distribution



Profile of today's renter

Experian's latest data reflects important changes in renter demographics. About half of renters today are below 35 years old, making Gen Z the largest rental population segment at 34% of the total renter population. Knowing renters are younger and lower average-income consumers sets the backdrop for a more in-depth analysis of the 2025 U.S. renter. As renters age, their population in the rental pool declines: older millennials (17%), Gen X (17%), Boomers (9%), Silent Gen (1%). Although older generations make up less of the general renter population, we observe a 14% increase in population of renters ages 44 and above from Feb 2023 (27%) vs Feb 2025 (31%). Why? Many older adults may prefer renting due to financial constraints, such as stagnant wage growth, high housing prices, or the burden of debt. Renting offers a more flexible and less risky alternative to homeownership.

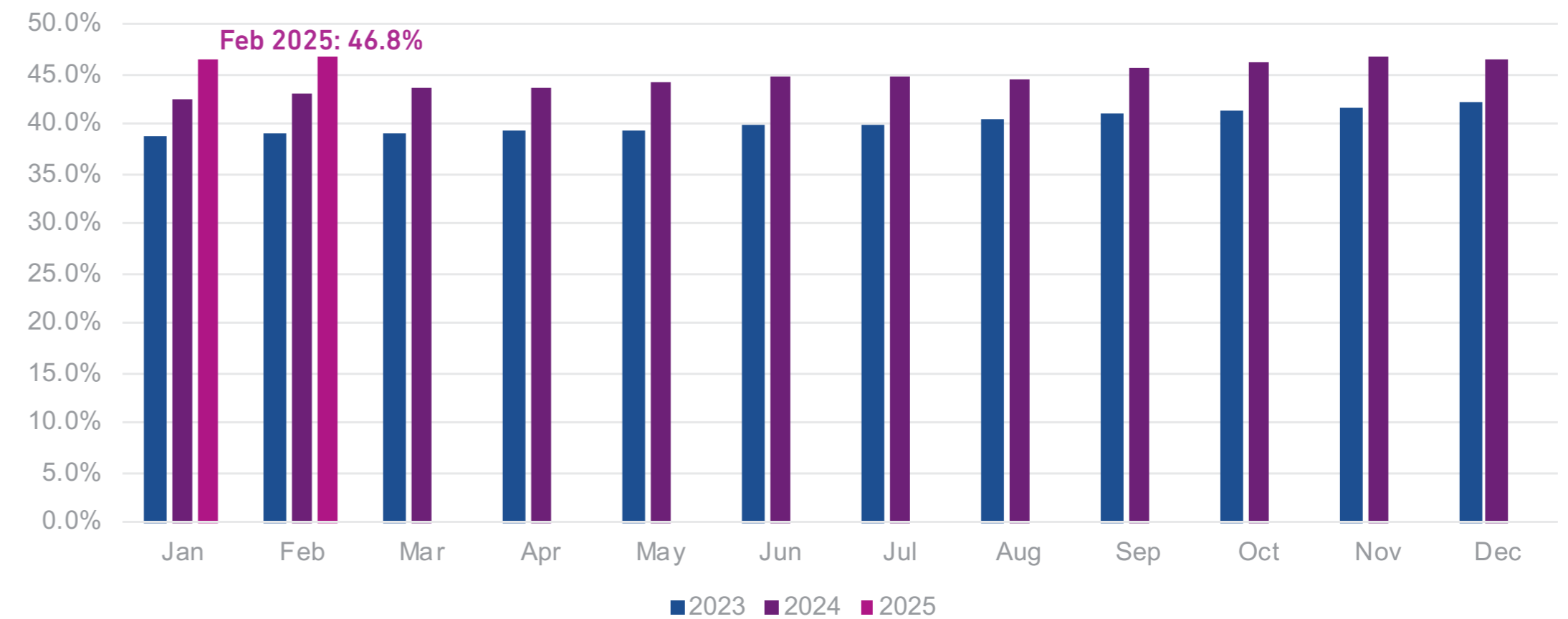
Average Rent by Generation		
Generation	Feb 2025	Feb 2023
Silent Gen: 125 - 79 yrs	\$1.50K	\$1.32K
Boomer: 78 - 59 yrs	\$1.78K	\$1.42K
Gen X: 58 - 44 yrs	\$1.82K	\$1.58K
Older Gen Y: 42- 36 yrs	\$1.83K	\$1.60K
Younger Gen Y: 35 -30 yrs	\$1.80K	\$1.56K
Gen Z: 29 - 09 yrs	\$1.67K	\$1.46K



Rent is taking a bigger bit out of renter's paychecks

According to RentBureau data, the average Rent-to-Income (RTI) ratio in the U.S. has climbed to 46.8%, up 7.7% since February 2023. The RTI measures how much of a renter's monthly income goes toward rent, making it a key indicator of affordability. According to the U.S. Department of Housing and Urban Development, households spending more than 30% on housing costs are considered "cost burdened." This guidance is a standard bearer for landlords and property managers in the application decision-making process.

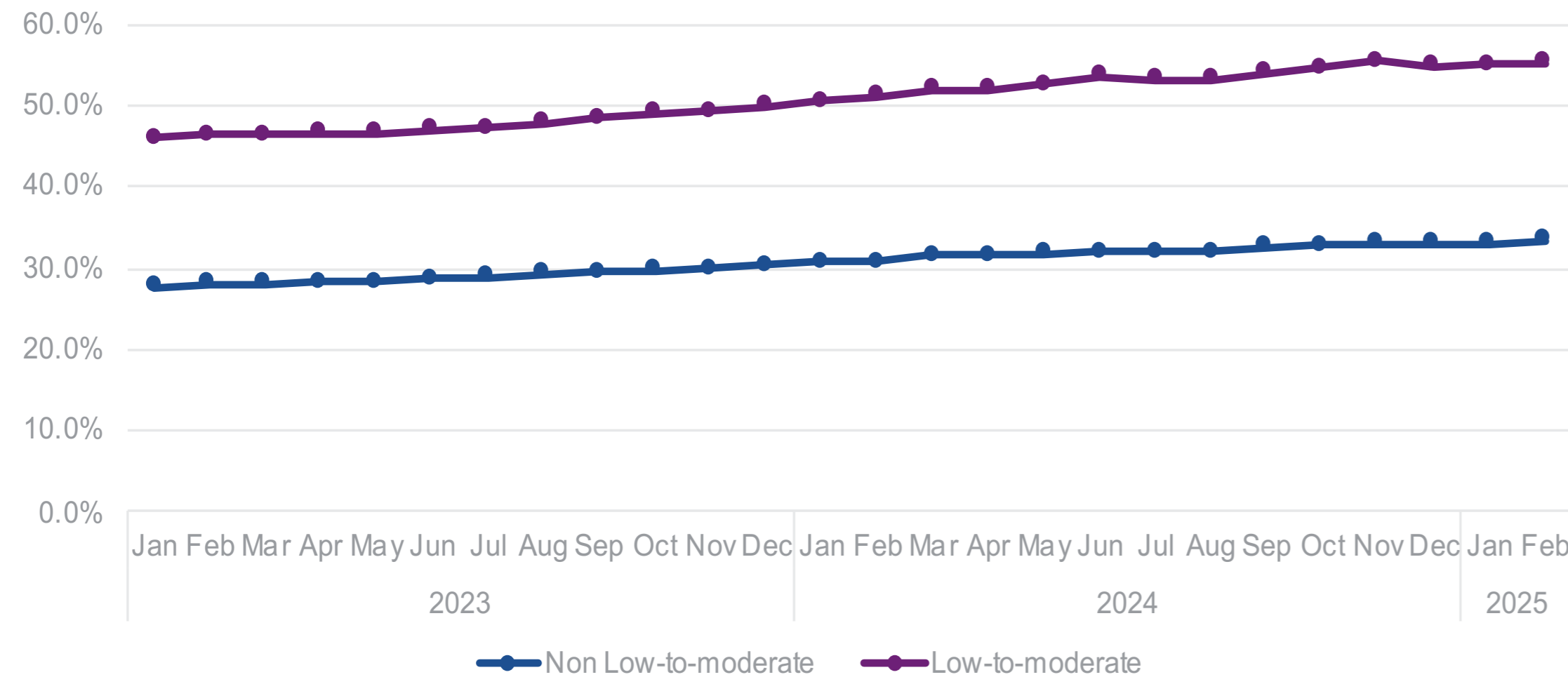
Rent-to-Income Trend



To understand rent burden, we need to look at what renters are earning.

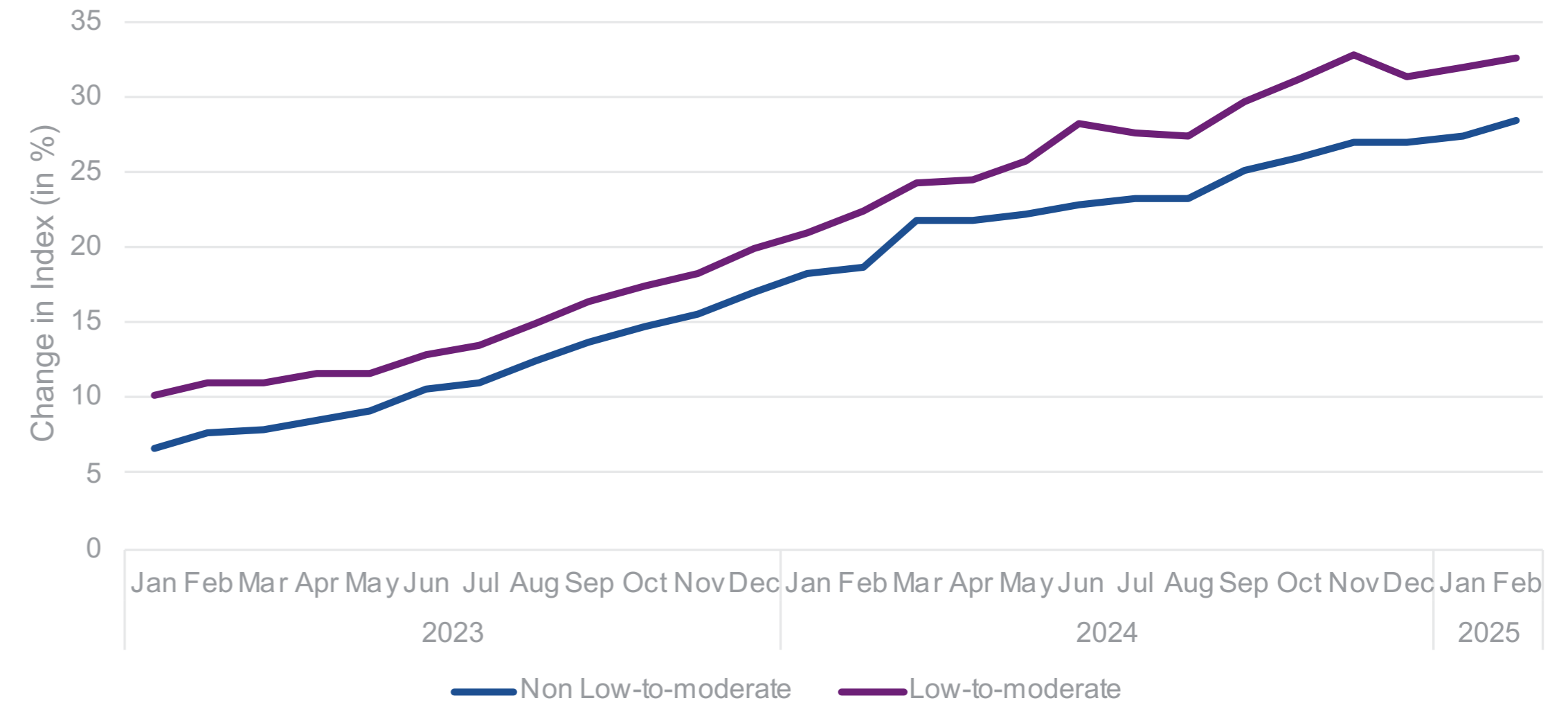
As of February 2025, the average renter income is \$51.6K, down 0.4% from the year before. Most renters, 62%, fall into the low-to-moderate income category. These households are hit hardest, spending an average of 55.4% of their income on rent, compared to 33.4% for higher-income renters. This highlights a growing affordability gap and shows that most renters are under financial strain.

Rent-to-Income Distribution Low-to-Moderate vs Non Low-to-Moderate Income



The Rental Cost Index (RCI) tracks how rent prices change over time, starting from a fixed baseline. It makes it easy to compare rent growth across different groups, like low-to-moderate income renters versus higher-income renters, by showing percentage changes from the starting point. RCI sees a continuous rise for both low-to-moderate income consumers (32.6%) and non-low-to-moderate income consumers (28.3%) in rent-to-income ratio.

Change in Rental Cost Index



Rental Cost Index Over Time: The RCI provides an insight into the affordability challenges that even the non-low-to-moderate income renters are facing in the current rental market.

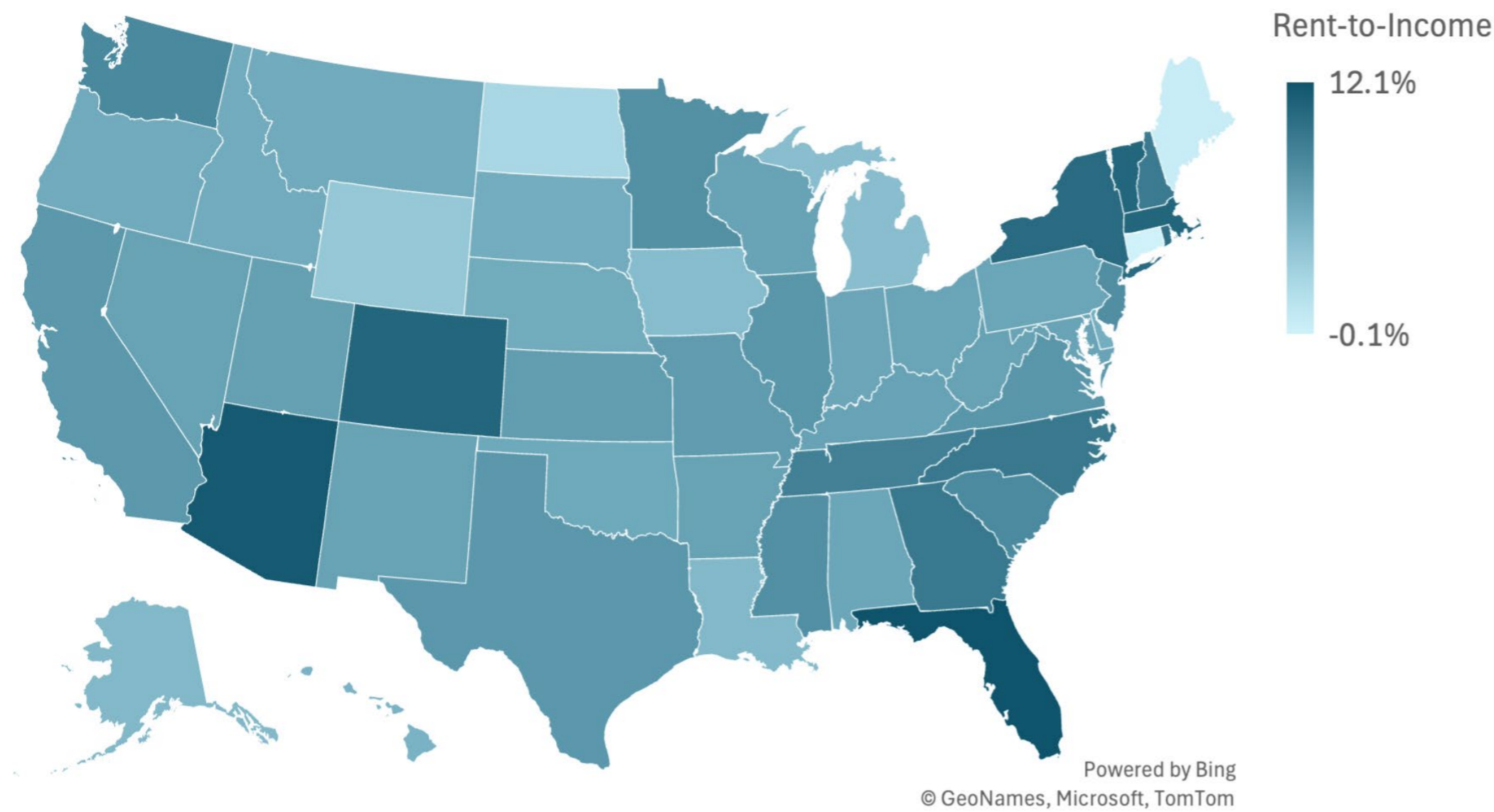


Rent-to-Income Ratio (RTI) Geographically

Rent affordability looks very different depending on where you live. While the Northeast and West regions have the highest rent-to-income (RTI) ratios, the South has seen the sharpest rise with a 21% increase in just two years. Regional and state-level views reveal how today's renters are feeling the squeeze in very different ways across the country.

At a state level, Florida saw the biggest spike in rent-to-income (RTI) from 2023 to 2025, jumping 12.1%, followed by Arizona (11.7%), Colorado, and Vermont (both 10.8%). In contrast, states like Connecticut (-0.1%), Maine (0.4%), and North Dakota (2.5%) saw little to no change. These regional shifts suggest that migration and rising demand are driving up rental pressure in certain states more than others.

Change in Rent-to-Income Ratio
Feb 2023 vs Feb 2025



State	Highest (RTI)
California	56.5%
Massachusetts	56.2%
District of Columbia	55.1%
New Jersey	54%
New York	53.5%
Florida	52.4%

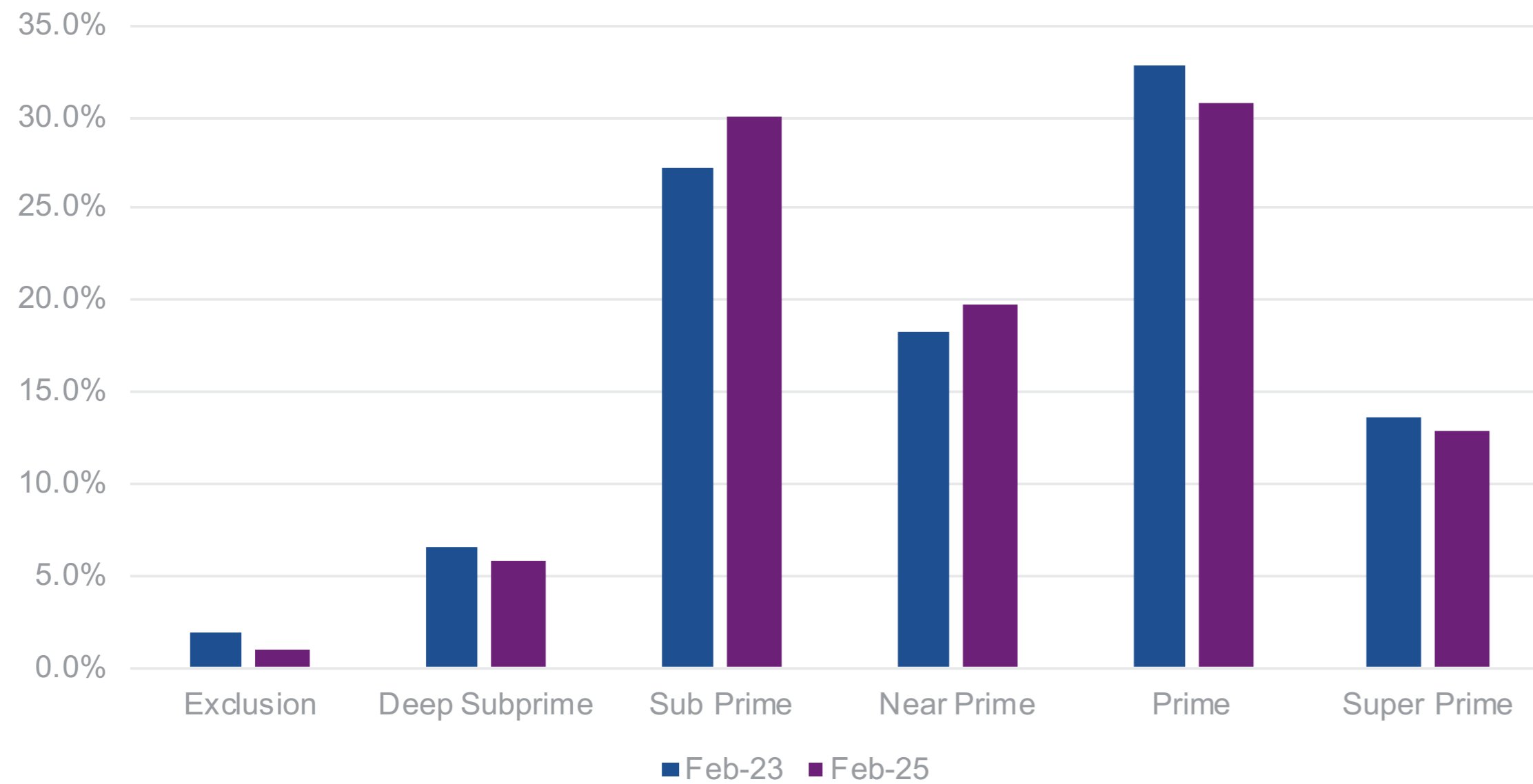
State	Lowest (RTI)
North Dakota	29.8%
Arkansas	35.3%
Kansas	35.6%
Oklahoma	35.8%
Wyoming	36.1%

State	Change in RTI (Feb 2023 - Feb 2025)
Florida	12.1%
Arizona	11.7%
Massachusetts	10.8%
VT	10.8%
New York	10.4%

Other signs of renter financial health

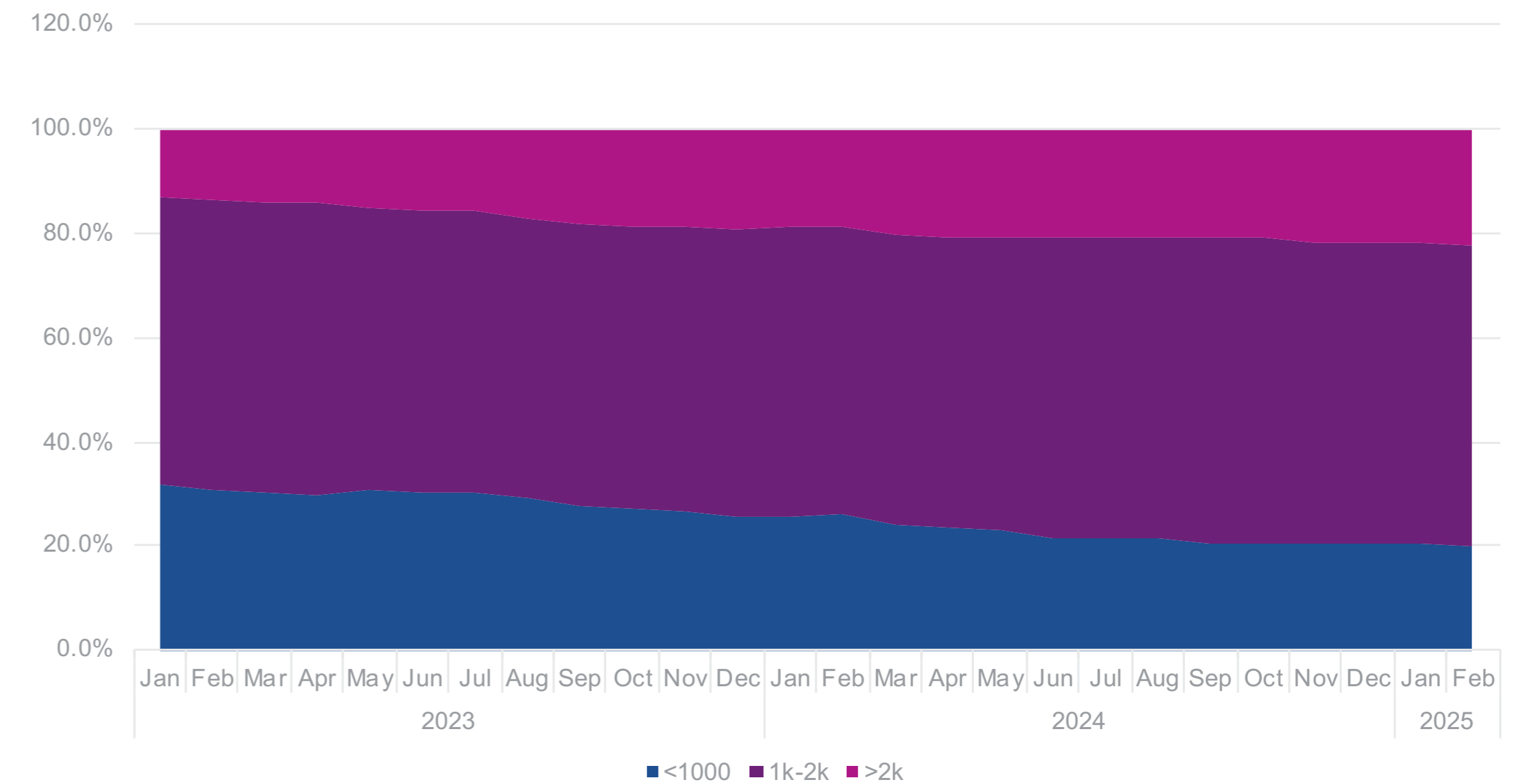
Rent burden is just one part of the financial picture for today's renters. Over **50%** now fall into the **Near Prime and Subprime** credit segments, a **9.6% increase** since February 2023. This shift doesn't necessarily mean credit quality is declining, it can reflect a growing share of renters from these segments entering the market. At the same time, high-rent renters are stretching beyond their financial comfort zones, leading to more negative payment activity. These trends are closely tied to rising rent-to-income ratios, especially among certain renter groups. If this trend continues, landlords and property managers should prepare for higher-risk renters by reevaluating screening criteria and using tools like security deposits or deposit alternatives to reduce financial risk.

Credit Score Distribution of Renters



Tracking these shifts over time is critical, as changes in credit quality and financial strain can evolve quickly and impact the stability of the rental market. While overall negative payment activity among renters is down 10.4% since February 2023 (YOY: -8.9%), it's a different story for those paying over \$1,000 in rent, where negative activity has surged by 15.7% (YOY: 7.6%), revealing a growing divide in financial strain.

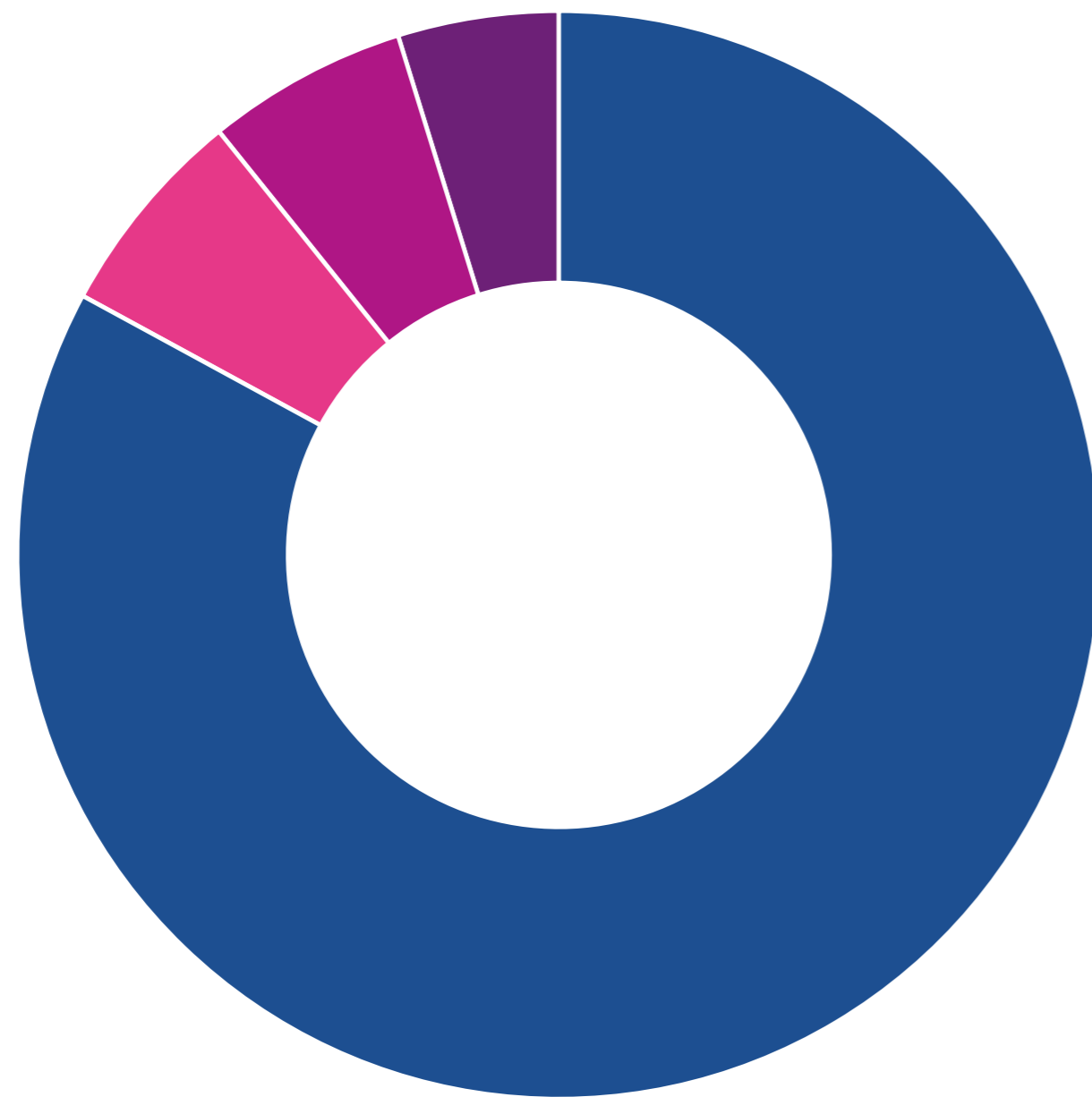
Negative Payments Trend by Rent Amount



KEY TAKEAWAY
15.7% increase from Feb 2023 in renters paying over \$1,000 who are showing negative payment behavior

It's crucial to understand what these negative payments represent for today's renters. Late charges make up over 80% of negative payment activity, followed by Write-offs, Outstanding balance, and non-sufficient funds. Regionally, the Midwest and South have seen the largest decrease in negative payment activity.

Distribution of Negative Payment Types



■ Late Charge ■ Non-sufficient fund ■ Outstanding ■ Write-offs

Analysis conducted on active renters as of Feb 2025: 8.2M



KEY TAKEAWAY

As rent prices have risen, 13% of renters who were paying under \$1,500 in February 2023 have moved into higher rent brackets.



A Typical Renter's Credit Payment Priorities Study

How renters prioritize credit payments shapes their overall credit health. Among renters with three or more active trades, auto loans are prioritized first, showing the lowest delinquency, followed by personal loans, student loans, retail cards, and credit cards. While this order holds for most renters, those facing financial stress tend to prioritize student loans over retail and credit card debt. As of February 2025, 67% of renters have credit cards, 38% have auto loans, 18% have student loans, and 12% have personal loans—highlighting which debts are most common and likely prioritized. Notably, 58% of renters carry a mix of these obligations.

Trade types (Open & Active)	Secured		Unsecured			
	Mortgage	Auto	Retail	Bankcard	Personal	Student
Mortgage, Auto, Retail, Bankcard	4	1	2	3		
Auto, Retail, Bankcard		1	2	3		
Retail, Bankcard, Personal			2	3	1	
Mortgage, Bankcard, Personal	4			2	1	
Auto, Bankcard, Student		1		3		2
Retail, Bankcard, Student			2	3		2

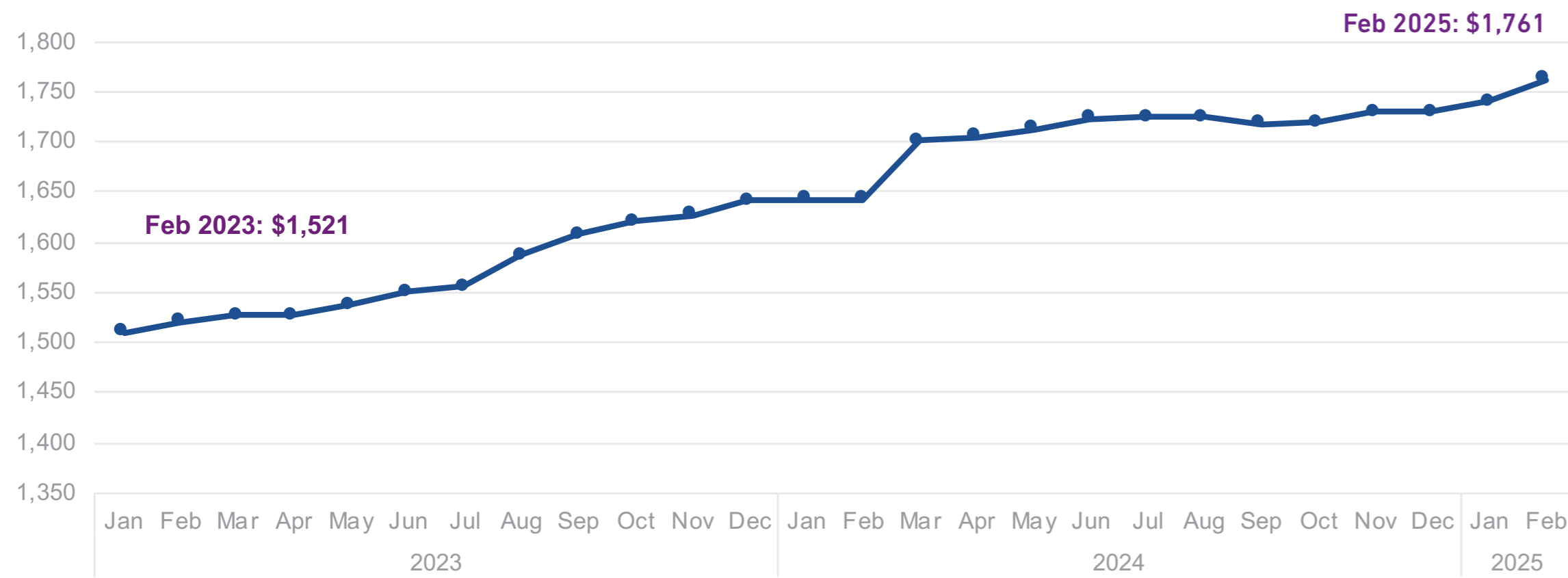
Sample population of active renters having active trades in three or more of the following trades: Auto, Retail, Mortgage, Bankcard, Student Loan, Personal Loan: 163K

Today's renter is navigating a complex and shifting housing landscape shaped by rising costs, evolving demographics, and growing financial pressures. Younger generations dominate the rental market, but older adults are increasingly turning to renting as a flexible alternative to homeownership. As affordability challenges deepen and credit dynamics shift, understanding the behaviors, needs, and risks of modern renters is more important than ever for stakeholders across the housing ecosystem.

What is happening in the rental market?

The U.S. rental market is undergoing significant change, shaped by evolving renter demographics and shifting economic conditions. In 2025, rising rent prices, growing regional and city-level differences in affordability, and changing patterns in renter mobility are all influencing where and how Americans choose to live. Understanding these trends is essential for gaining a clear view of the current rental landscape and preparing for what lies ahead.

Average Rent Trend



The Story of Rent Today: The average rent price as of February 2025 is \$1,761.

The average rent price as of February 2025 is \$1,761. While rents continue to rise, the pace of growth has slowed compared to previous years. For context, the average rent increase in 2024 was \$138, down from \$252 in 2023.

The Rent Divide: Where Prices Are Rising and Falling

While the national average provides a useful benchmark, it only tells part of the story. To fully understand the dynamics of rent growth, it's important to examine how these trends vary across states. Among the most expensive states, New Jersey, the District of Columbia, and Massachusetts have experienced rent declines, suggesting possible market corrections or reduced demand. In contrast, California and New York have seen rent increases, with California showing a 6.4% growth, indicating upward pressure in high-demand areas.

The least expensive states all show positive rent growth, with Oklahoma leading at 9.7%. This trend suggests that while these markets remain more affordable, they are not immune to rising demand and cost pressures.

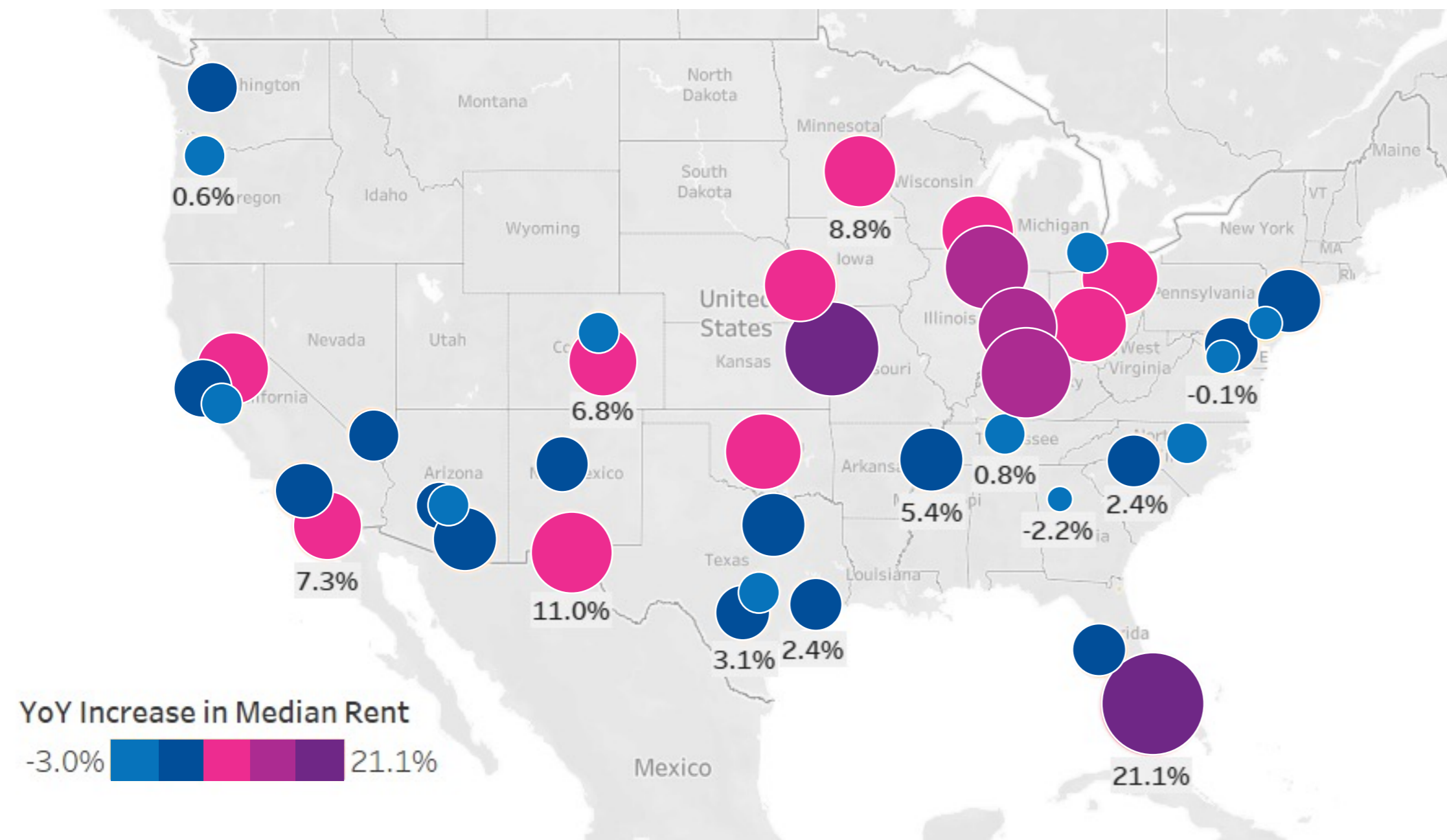
Overall, the data underscores the diverse and dynamic nature of the rental market, where affordability and growth trends vary significantly by state.

Most expensive states (based on average rent)	Average rent price	YOY % change
New Jersey	\$2,426	-3.4%
District of Columbia	\$2,403	-0.7%
Massachusetts	\$2,358	-0.8%
New York	\$2,187	0.9%
California	\$2,186	6.4%

Least expensive states (based on average rent)	Average rent price	YOY % change
North Dakota	\$979	6.4%
Kentucky	\$1,182	7.9%
Iowa	\$1,182	5.2%
Oklahoma	\$1,198	9.7%
Louisiana	\$1,220	6.0%

Zooming In: The City-Level Story Behind Rent Growth

Looking more closely at the metropolitan and city-level views offers deeper insights into the microeconomic drivers impacting renters. Florida leads both ends of the spectrum, with Miami rents surging 21.1% year-over-year while Jacksonville sees a 3.0% drop. In Texas, El Paso's rents jumped 11%, while Austin remained flat at 0.1%. These extremes highlight how large states can experience vastly different rent dynamics, especially in cities that saw rapid growth during the migration boom of 2020 to 2023, which now appears to be stabilizing.



Highest rent growth cities		
City	Median Rent (2025)	YOY & change
Miami, FL	\$2,292	21.2%
Kansas City, MO	\$1,236	16.7%
Louisville, KY	\$1,165	14.2%
Chicago, OH	\$1,650	13.0%
Indianapolis, IN	\$1,205	12.1%
El Paso, TX	\$1,387	11.0%
Cleveland, OH	\$1,149	10.3%
Milwaukee, WI	\$1,170	9.3%
Oklahoma City, OK	\$1,083	8.8%
Minneapolis, MN	\$1,409	8.8%

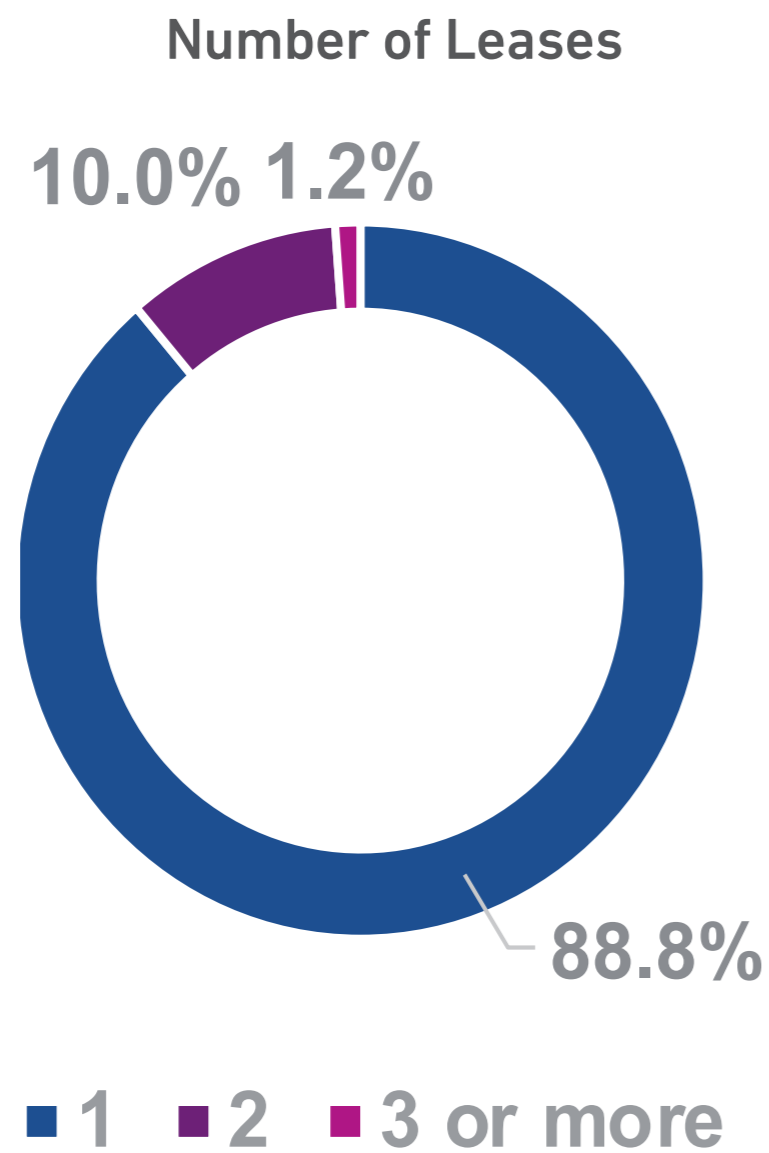
Lowest rent growth cities		
City	Median Rent (2025)	YOY & change
Jacksonville, FL	\$1,600	-3.0%
Atlanta, GA	\$1,672	-2.2%
Austin, TX	\$1,586	-0.1%
Philadelphia, PA	\$1,400	0.0%
Raleigh, NC	\$1,599	0.3%
Detroit, MI	\$1,100	0.5%
Denver, CO	\$1,809	0.6%
Portland, OR	\$1,685	0.6%
San Jose, CA	\$2,410	0.6%
Nashville, TN	\$1,608	0.8%

Vacancy Rates: What's Driving the Empty Units?

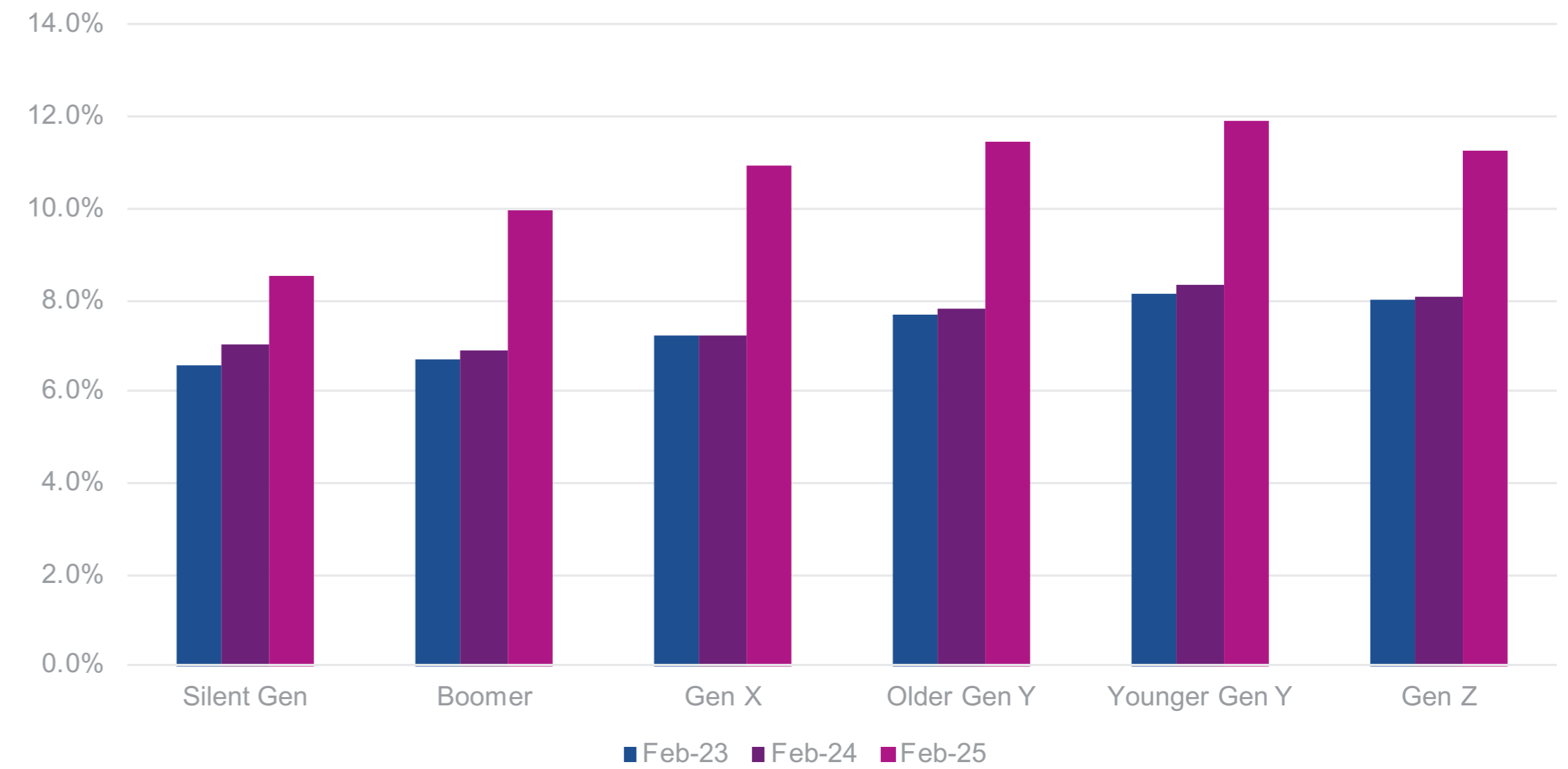
In 2024 and the first half of 2025, rental vacancy rates have experienced notable fluctuations. The national rental vacancy rate increased from 6.6% in the first quarter of 2024 to 7.1% in the first quarter of 2025. This rise can be attributed to several key trends, including increased rental supply, economic uncertainty, and evolving tenant preferences. The surge in new rental units, particularly in suburban and urban areas, has contributed to higher vacancy rates. Additionally, inflationary pressures and rising operational costs have led landlords to increase rents, which may have deterred some potential renters.

Mobility in Motion: Propensity to Move

The current distribution of residential leases offers valuable insight into evolving renter behavior. As of now, 88.8% of renters hold a single lease, down from 92.3% in February 2023, signaling a marked increase in renter mobility. Notably, the most significant uptick in movement is observed among Older Generation Y and Generation X cohorts, highlighting a generational shift in housing preferences and flexibility.



2 or More Leases



The U.S. rental market in 2025 is marked by complexity and contrast. While national rent growth has slowed, regional and city-level disparities reveal a more nuanced picture—some areas are experiencing sharp increases, while others are seeing stabilization or even declines. Vacancy rates are rising, driven by a surge in new supply and shifting renter preferences, while mobility is increasing, particularly among Older Gen Y and Gen X renters. These trends underscore a market in transition, shaped by economic pressures, demographic shifts, and evolving housing needs. Understanding these dynamics is essential for anticipating future developments and making informed decisions in a rapidly changing rental landscape.

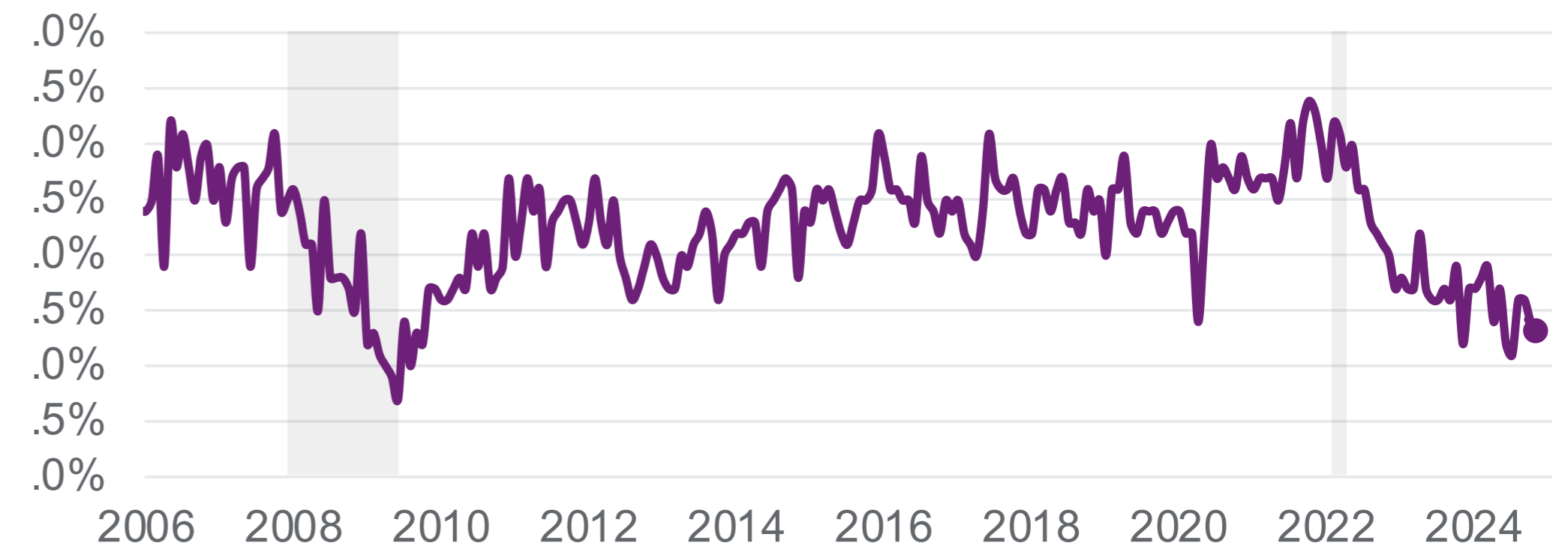
Factors impacting the rental market



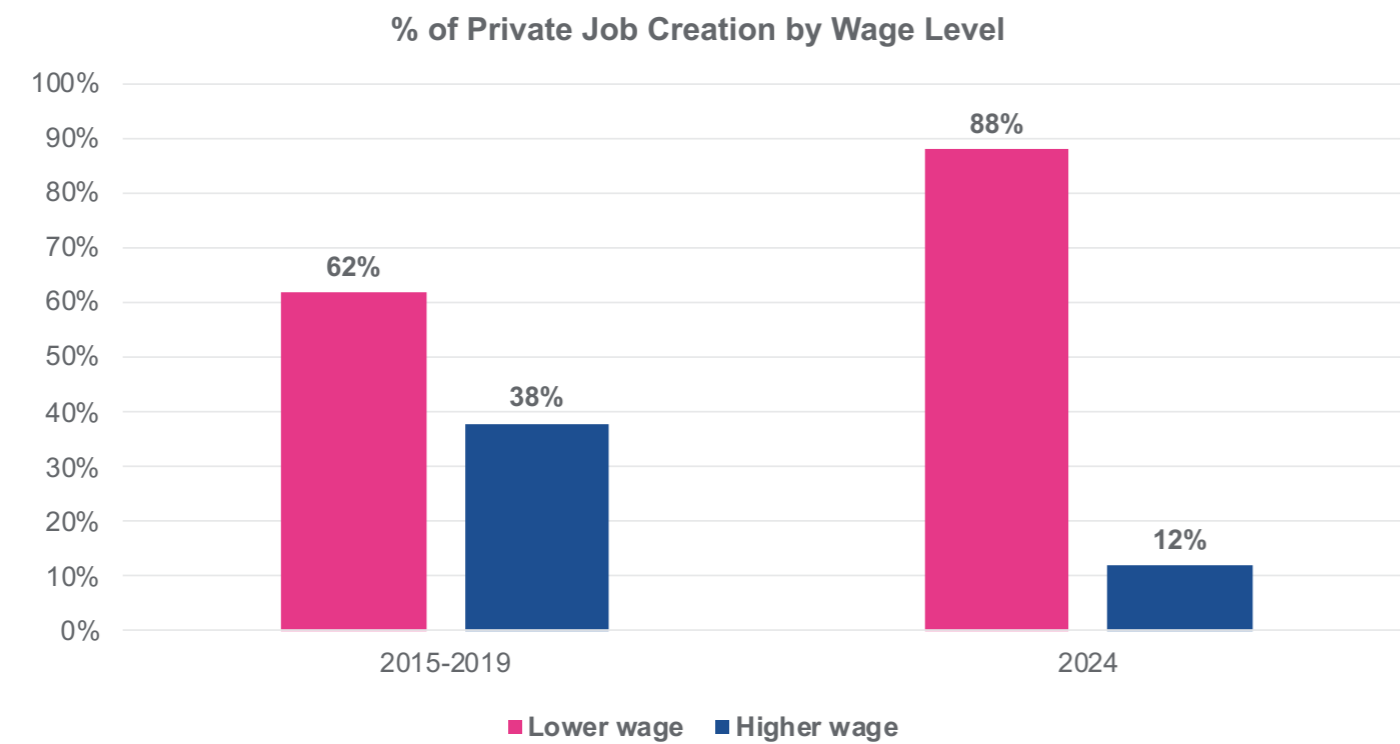
The rental market is intricately linked to broader economic trends and shifts. Understanding these macroeconomic factors is crucial for analyzing the dynamics at play within the rental sector. From unemployment, potential rate cuts, and housing development trends, these elements collectively shape the landscape of rental supply and demand. How are these overarching economic indicators influencing rental prices, availability, and tenant behavior? Here's a comprehensive view of the market's current state and future trajectory.

Despite surface-level indicators suggesting a stable labor market, deeper analysis reveals underlying weaknesses. One notable trend is the low hiring rate, particularly in high-paying and white-collar jobs. From the beginning of 2022, professional and business services hire rates are down 1.7% by the end of 2024. Factors like the rise in Gen AI in everyday business practices are top of mind for consumers as the white-collar job market continues to tighten.

Hires Rate: Professional and Business Services

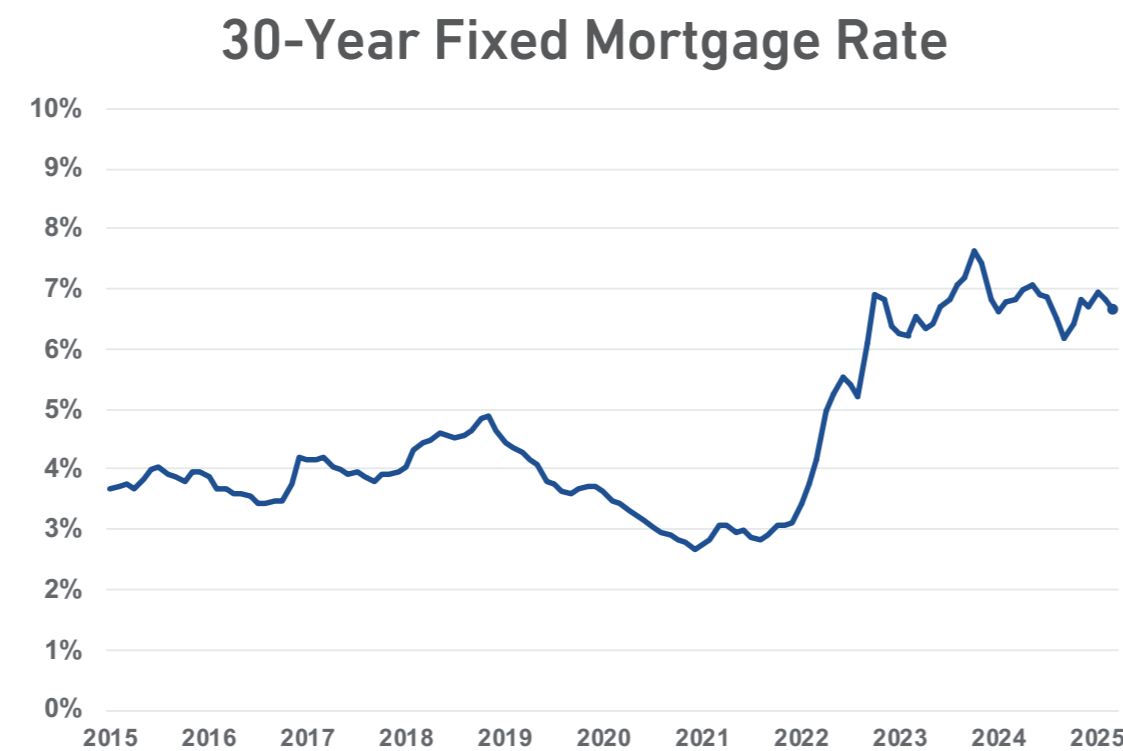
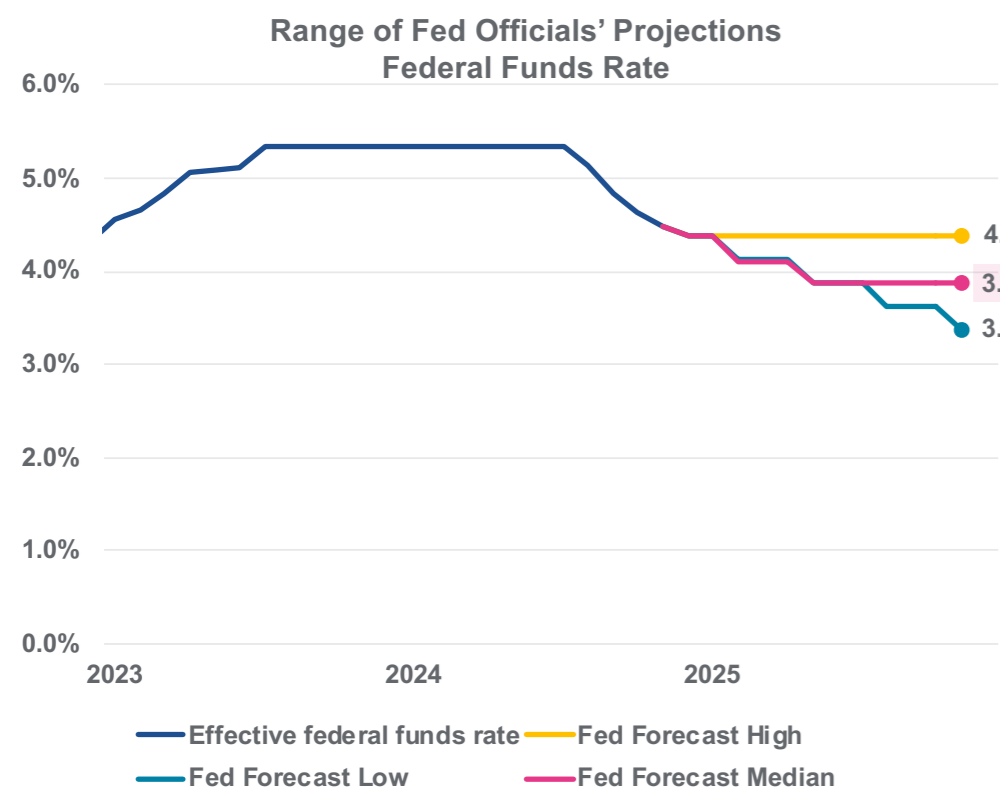


¹⁰Federal Reserve and Freddie Mac



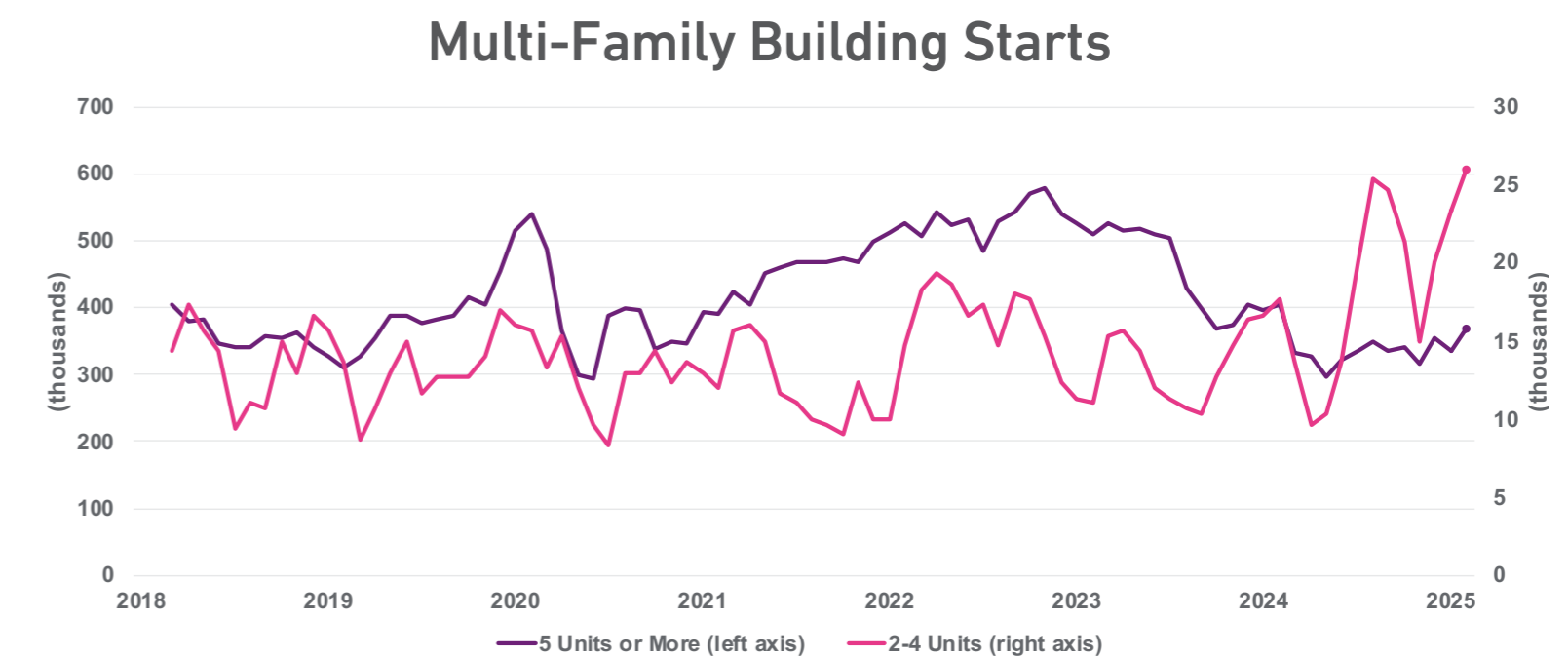
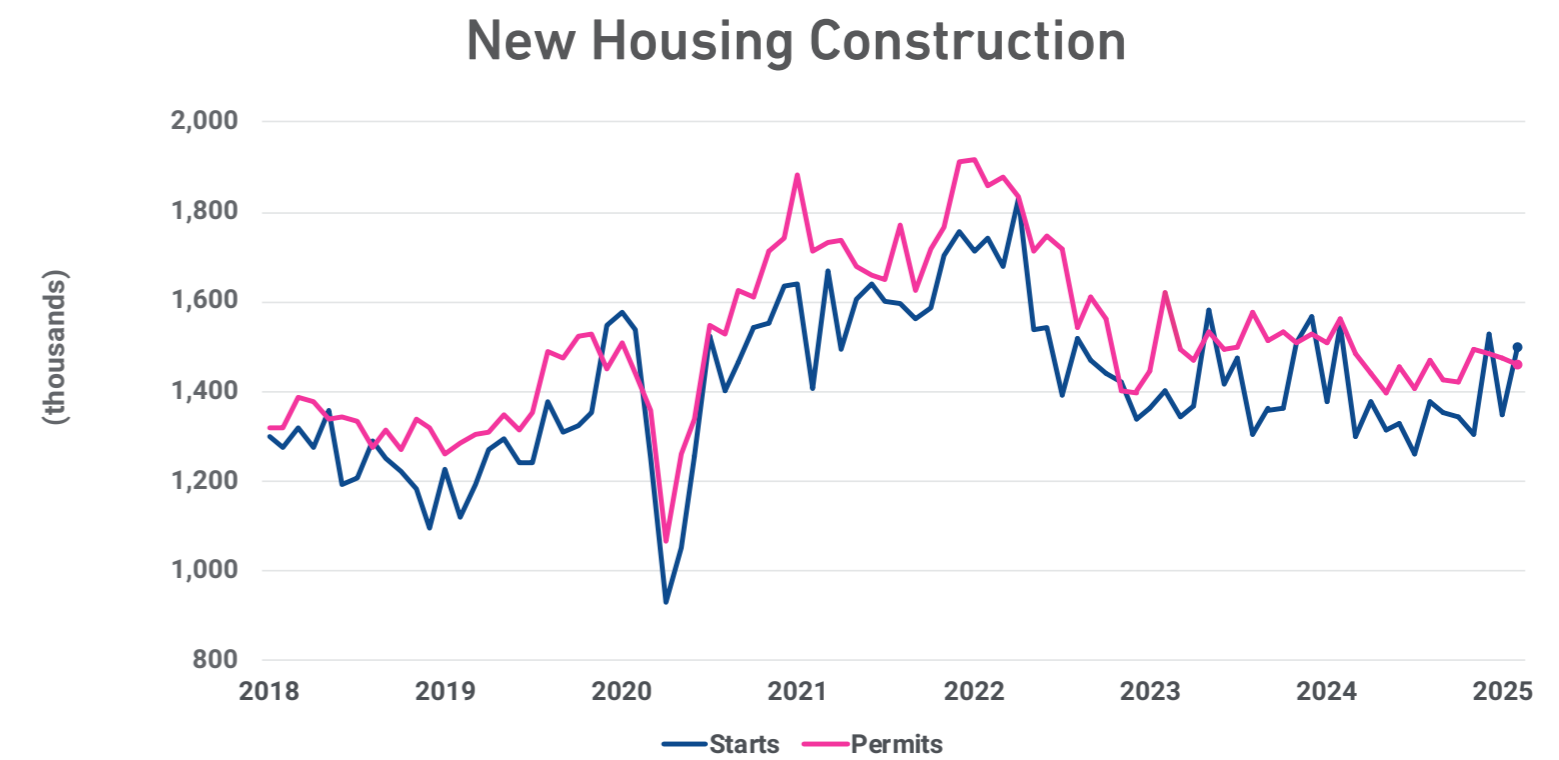
Mortgage Rates Stay High, Pressuring Renters and Fueling Demand

In their March Summary of Economic Projections, the Federal Reserve penciled in two rate cuts for 2025. However, the path of rate cuts remains uncertain and dependent on incoming inflation. Mortgage rates remain elevated, with the average 30-year fixed mortgage rate hovering near 7%, far above pre-2022 levels. This continues to make homeownership less accessible, keeping many renters from entering the housing market. As demand for rentals stays strong and new supply remains limited, upward pressure on rents is likely to persist.



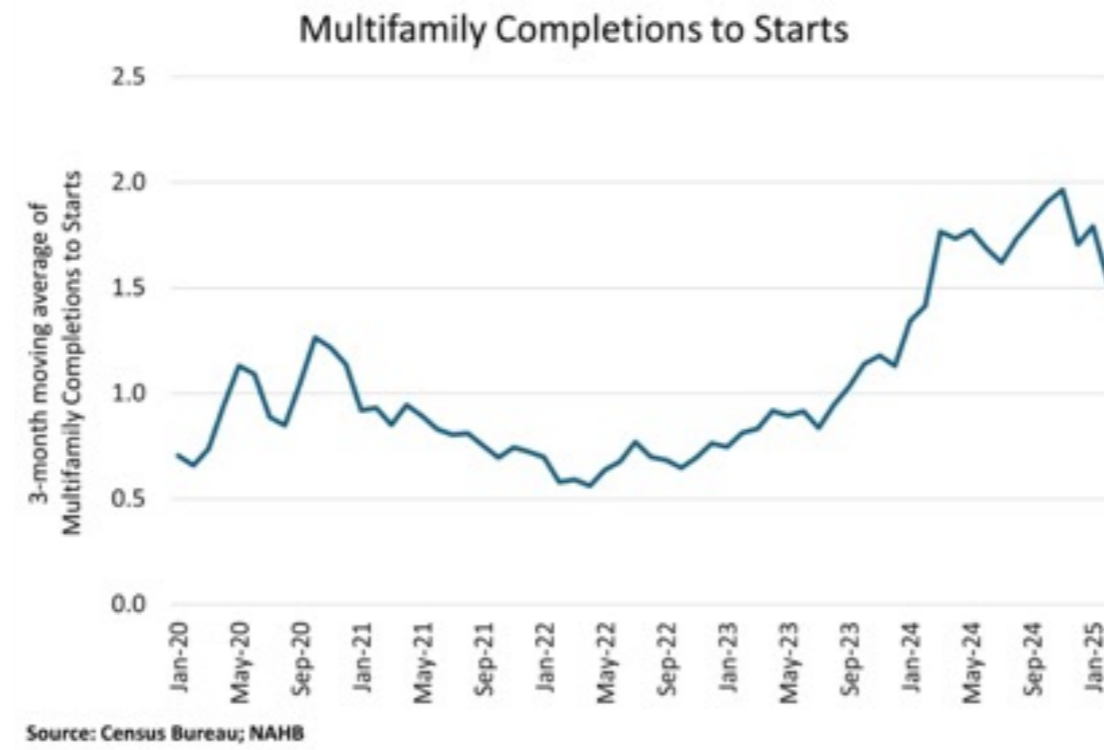
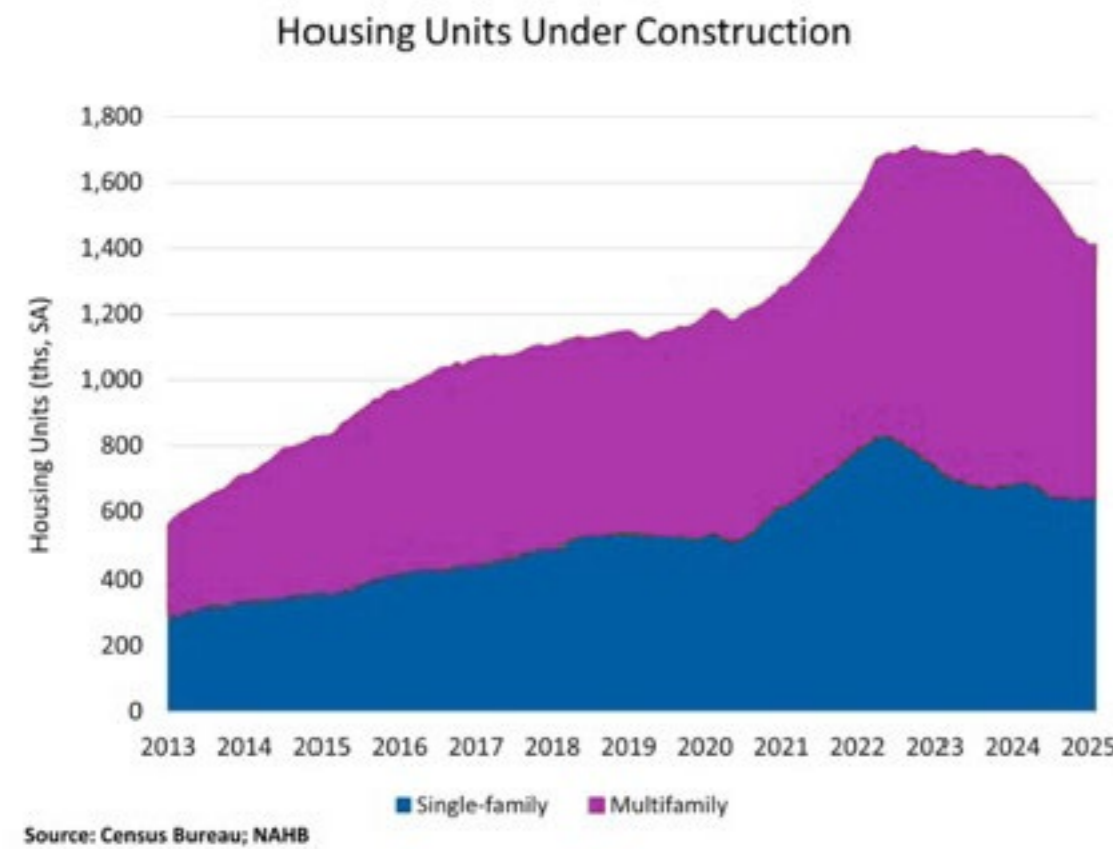
Big Builds Stall, Small Starts Surge: A Shift in Multifamily Construction

Multifamily housing development is taking a new shape, with large-scale projects lagging while smaller 2–4 unit buildings are gaining momentum. Starts for buildings with 5 or more units remain sluggish, showing little momentum in large-scale multifamily development. In contrast, starts for smaller buildings with 2–4 units have recently picked up, signaling renewed interest in low-density multifamily housing. Visual 28 tracks these trends over time, while Visual 29 uses a secondary y-axis to better highlight the growth in 2–4 unit starts. Together, they reveal a growing divergence in the types of multifamily housing being built.



Multifamily Slowdown: Completions Outpace New Starts

In February 2025, multifamily housing completions hit 526,000, down 15% from the previous year. For every new apartment that breaks ground, 1.5 are being completed, signaling a slowdown in new development and a potential tightening of future rental supply.¹

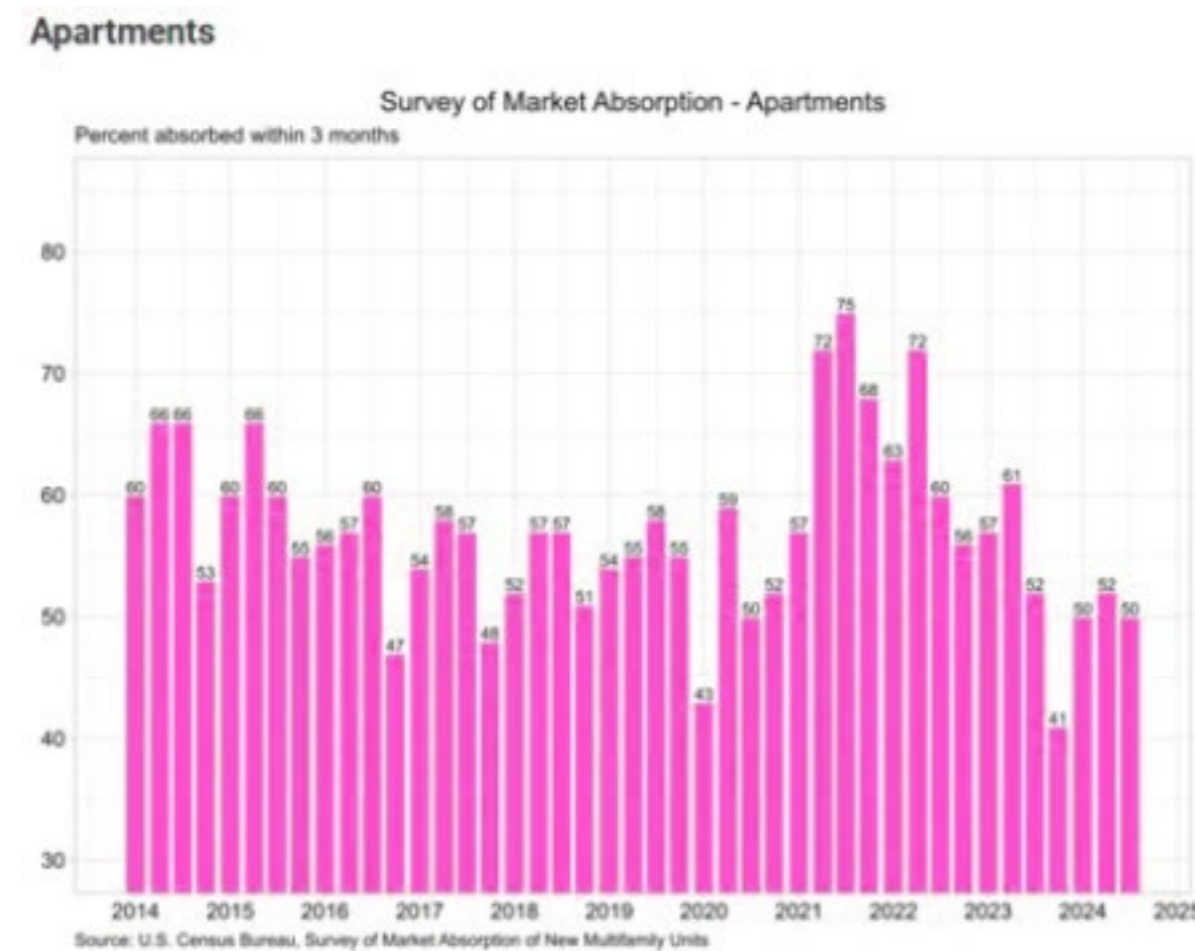


The percentage of apartments absorbed within three months has fallen significantly from its peak of 75% in the third quarter of 2021, as shown in the graph above. Currently, the rate stands at 50% which is coupled with an uptick in completions, as the SOMA estimates show a new high of completions at 143,600 units in the third quarter of 2024. This outpaces the level of completions a year ago, which stood at 84,830, by almost 70%.²

Fraud is rising across all industries, and rental companies are not immune. In 2023, the most common fraud types reported by U.S. businesses included account takeovers (32%), identity theft (31%), payment fraud (29%), and synthetic identity fraud (27%). These attacks often involve fake or stolen identities and manipulated payments. In 2024, businesses expect even greater challenges from deepfakes, AI-generated fraud, and more advanced scams, making strong fraud prevention efforts increasingly important in the rental sector.

Macroeconomic Forces Reshaping the Rental Market

The rental market in 2025 is being shaped not just by local supply and demand, but by powerful macroeconomic forces that are redefining affordability, availability, and renter behavior. A cooling labor market, especially in white-collar sectors, paired with persistently high mortgage rates, is keeping many would-be buyers in the rental pool. At the same time, multifamily construction is shifting, with large-scale developments slowing and smaller-scale projects gaining traction. Completions are outpacing new starts, and absorption rates are falling, signaling a potential mismatch between supply and demand in the near future. Together, these trends point to a rental market under pressure, where economic uncertainty and structural shifts in housing development are likely to keep rents elevated and competition for units high. Understanding these macro-level dynamics is essential for anticipating where the rental market is headed next.



¹<https://eyeonhousing.org/2025/03/single-family-housing-starts-hit-12-month-high-in-february/>
²<https://eyeonhousing.org/2025/02/multifamily-completions-rise-again-pushing-absorption-rates-lower/>



How does the future look?



In 2025, macroeconomic changes will continue to drive uncertainty for renters nationwide

The significant shifts in the U.S. rental housing market are driven by factors like evolving renter demographics, increasing rent-to-income ratios, and regional variations in rental affordability. Renters are facing heightened financial pressures, with a notable rise in negative payment behaviors among those paying higher rents. The report underscores the importance of understanding these trends to navigate the complexities of the rental landscape effectively. By staying informed about these dynamics, property managers and landlords can better support renters and ensure stable occupancy rates in a rapidly changing market.

What Does This Mean for Renters and Rental Companies in the Future?

Unlocking Value Through Smarter Data

- **Understand Renter Behavior More Fully:** Leverage RentBureau Profiles to gain a 360° view of renter habits—going beyond traditional credit data to include rental payment history and leasing patterns.
- **Prevent Fraud Before It Happens:** Use real-time data and identity verification tools to protect your business and tenants in today's digital-first rental environment.
- **Help Renters Build Credit:** Reporting rental data empowers renters to strengthen their credit profiles, unlocking better financial opportunities while improving screening accuracy.
- **Make Smarter Decisions:** Access deeper behavioral insights to enhance screening precision, reduce risk, and support financially responsible renters.
- **Navigate Change with Confidence:** Tap into industry-leading data and dashboards for a holistic view of the rental market, offering property managers, screeners, and investors the tools to stay ahead of economic and regulatory shifts

By reporting on-time rent payments to Experian® RentBureau®, consumers experience multiple benefits



83.1%
consumers saw
positive score impact



15.1%
unscorable consumers
become scorable



3.9%
average score increase
for consumers who
reported to RentBureau®



32.8%
consumers who moved into
next conventional score tier

The above statistics are pulled from an Experian data study on a statistically relevant sampling of consumers with open/current rental trades on Experian core credit file as of February 2025

*Results will vary. Not all payments are boost eligible. Some users may not receive an improved score or approval odds. Not all lenders use Experian credit files, and not all lenders use scores impacted by Experian Boost®. Learn more.

About Experian

Experian is a global data and technology company, powering opportunities for people and businesses around the world. We help to redefine lending practices, uncover and prevent fraud, simplify healthcare, deliver digital marketing solutions, and gain deeper insights into the automotive market, all using our unique combination of data, analytics and software. We also assist millions of people to realize their financial goals and help them to save time and money.

We operate across a range of markets, from financial services to healthcare, automotive, agrifinance, insurance, and many more industry segments.

We invest in talented people and new advanced technologies to unlock the power of data and innovate. As a FTSE 100 Index company listed on the London Stock Exchange (EXPN), we have a team of 22,500 people across 32 countries.

Our corporate headquarters are in Dublin, Ireland.

Learn more at www.experianplc.com

About Experian RentBureau

RentBureau is the largest and most widely used database of rental payment information and currently includes information on more than 36 million residents nationwide. Property management companies and third-party rent reporters send rental payment data directly and automatically to RentBureau daily or monthly. This detailed information enables organizations to make better-informed decisions. Property management companies use this data to review new rental applicants' payment history.

Experian is the first major credit reporting agency to incorporate the positive rental payment data reported to RentBureau in consumer credit reports, enabling residents to build credit history by paying rent responsibly.

Learn more at www.experian.com/rental



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