




The State of the

U.S. Rental Market Report

The State of the U.S. Rental Market Report 2026

A changing renter landscape shaped by affordability, mobility and financial tradeoffs

EXECUTIVE SUMMARY

The rental market in 2026 is not defined by sudden disruption, but by sustained pressure. While national rent growth has moderated, **affordability challenges remain deeply embedded in renter outcomes**, shaping who rents, how renters move and where financial strain emerges.

Affordability pressure continues to define the 2026 rental market. Limited rate relief, high borrowing costs and ongoing economic uncertainty are keeping financial conditions tight.
While homeownership is slightly more attainable than recent lows, elevated mortgage rates and home prices still put it out of reach for many renters. At the same time, slowing wage growth is reducing financial flexibility. Together, these factors reinforce a clear trend: affordability pressure is shaping how renters make decisions, from where they live to how they manage tradeoffs in their budgets.

The renter population itself has shifted. Renters are younger, more mobile and increasingly concentrated in higher rent bands. **Many are entering the rental market earlier in their financial lives, often with less buffer than prior generations.** These dynamics push affordability, not rent growth alone, to the center of the renter experience.

What emerges most clearly is that rent-to-income pressure, rather than volatility, is now the primary force shaping renter behavior. Regional and generational differences have widened, making national averages less instructive and placing greater importance on local insight.

Amid the affordability headwinds, rent payment reporting offers a bright spot by helping consumers receive credit for payments they already make. By adding rental history to the credit ecosystem, previously unscorable renters can become scorable, while others may improve their credit visibility. This gives renters a path to stronger financial profiles and property managers a more complete view of applicant risk.

KEY THEMES

- A younger renter base continues to expand the market earlier with less financial cushion
- Moderating rent growth masks uneven pressure across regions and renter segments
- Rent burden has reached a structural constraint as income growth slows
- Affordability pressure is reshaping renter mobility, migration and time spent renting
- Housing affordability increasingly intersects with broader financial health

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, U.S. Census Bureau data and Experian® RentBureau®. RentBureau is the largest rental payment database that contains 49 million lease records covering 37 million unique consumers nationwide.

A NOTE ABOUT DATA SOURCES

RentBureau covers 37 million unique renters represented across 49 million lease records, offering nationwide visibility into rental activity across all U.S regions. Internal benchmarking shows strong alignment with historical U.S Census data studies, supporting the reliability of these aggregated insights. Projections are based on data released before March 2026.

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.

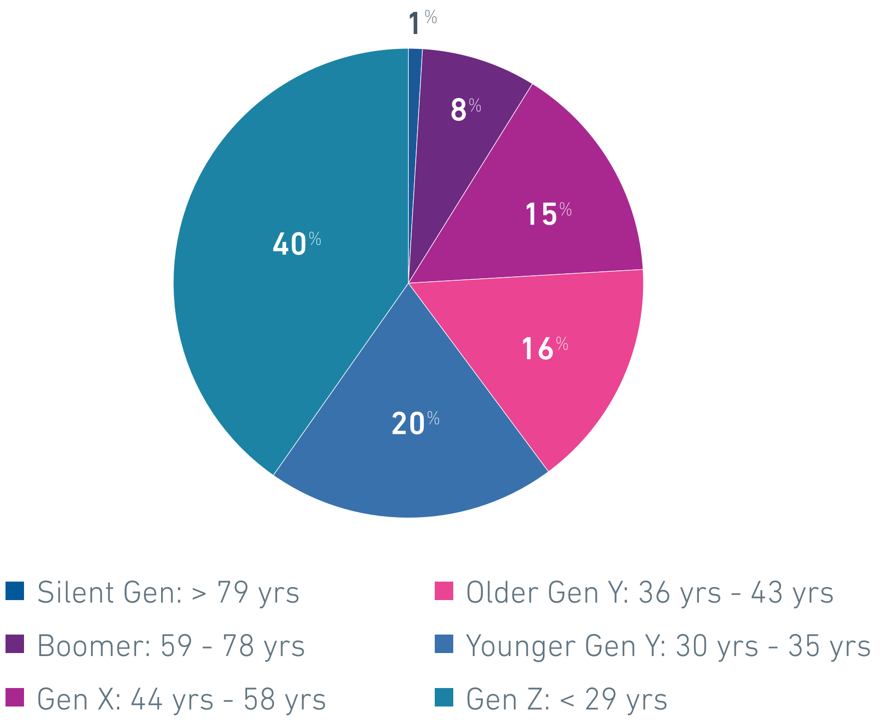
UNDERSTANDING TODAY'S RENTERS

Who is renting, what they're paying and how the profile is shifting

The story of the 2026 renter begins with a generational shift that is reshaping the market.

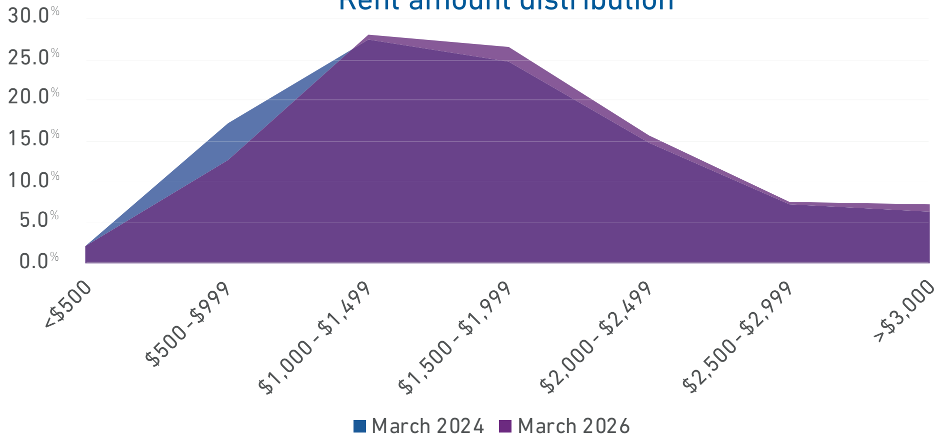
Gen Z now represents over **40% of all renters**, marking a decisive transition in the renter base. Alongside Millennials, younger renters drive most net renter growth, while older generations remain comparatively smaller and more stable. This shift matters not just demographically, but financially, as many younger renters are entering the market earlier in their income trajectories, with limited savings and less flexibility.

Generational distribution of renters

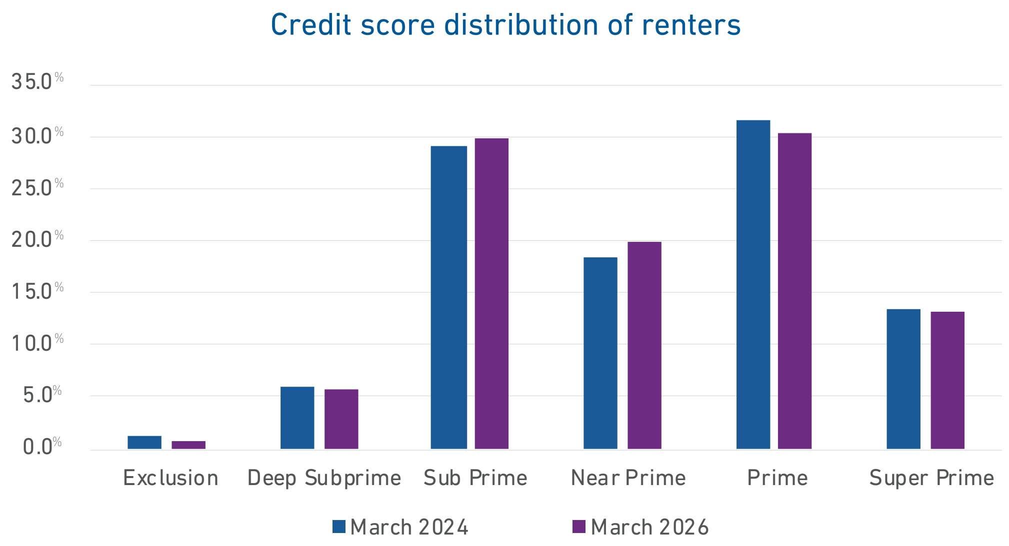


At the same time, renters are increasingly concentrated in higher rent tiers. Between March 2024 and March 2026, the share of renters paying **$1,500 or more per month increased by 4%**, reflecting both rent growth and compositional change within the renter pool.

Rent amount distribution



Credit profiles are evolving alongside rent exposure. Over the same period, the share of renters in the Prime and Super Prime credit bands declined from **45% to 44%**, while the Near Prime and Subprime segments grew. This shift does not signal sudden deterioration, but rather a stretching of financial resources, including among renters who historically maintained stronger credit profiles.



Deep Subprime: 300-499 **Subprime:** 500-600 **Near Prime:** 601-660
Prime: 661-780 **Super Prime:** 781-850

Together, these trends describe a renter population entering at higher costs, earlier in life and with thinner buffers. These conditions that shape every downstream market outcome.

Why this matters

A younger, higher rent renter base changes renter profiles, screening decisions and lifecycle expectations. Traditional assumptions about renter stability and credit resilience increasingly require the full picture.

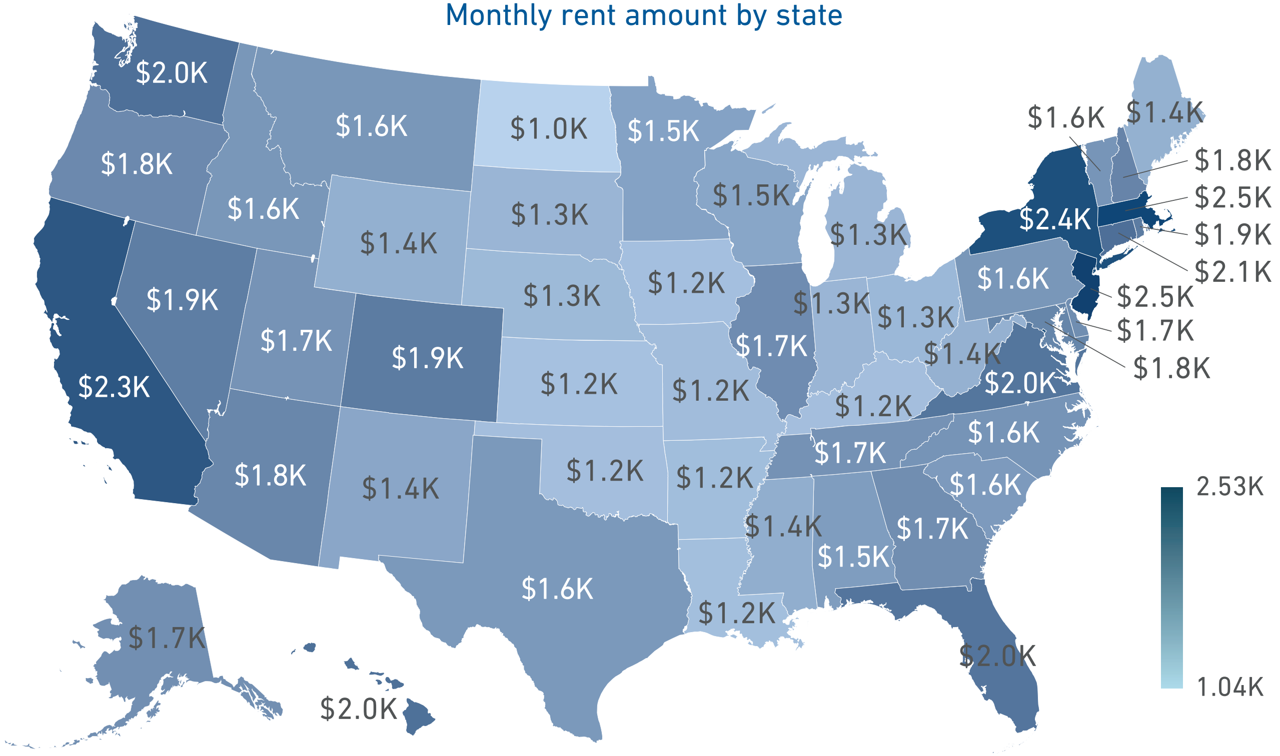
MARKET FORCES SHAPING THE RENTER EXPERIENCE

Rent trends, regional divergence and payment behavior

At the national level, rent growth has slowed. As of March 2026, average rent reached **$1,789, up 1.3% year over year**. While this signals moderation, renters continue to manage historically elevated housing costs.

National rent trend

Monthly rent amount by state



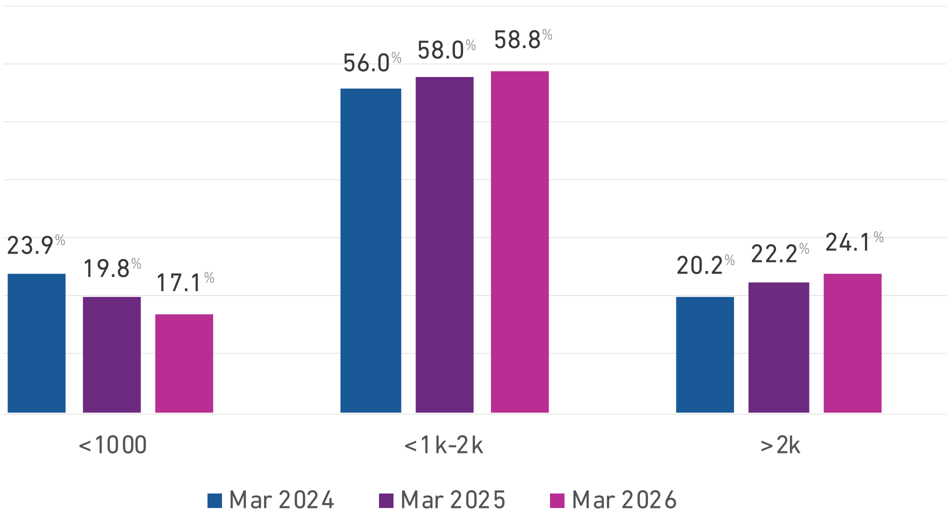
Regional patterns diverge sharply. Faster rent growth remains concentrated in more affordable states such as **Alabama, West Virginia, North Dakota and Tennessee**, reflecting strong demand relative to supply. Meanwhile, **Washington, D.C., New Hampshire, Colorado and Kansas** posted negative rent growth, signaling localized softening.

Cost dispersion persists. High cost states like **New Jersey, Massachusetts, New York and California** remain well above national rent levels, while Midwestern markets continue to offer relative affordability. Regionally, the South leads rent growth, followed closely by the Midwest and Northeast, with the West showing modest easing.

Payment behavior adds critical context. Overall, negative rental payment activity declined **4.3% since March 2024**, but stress has shifted rather than disappeared.

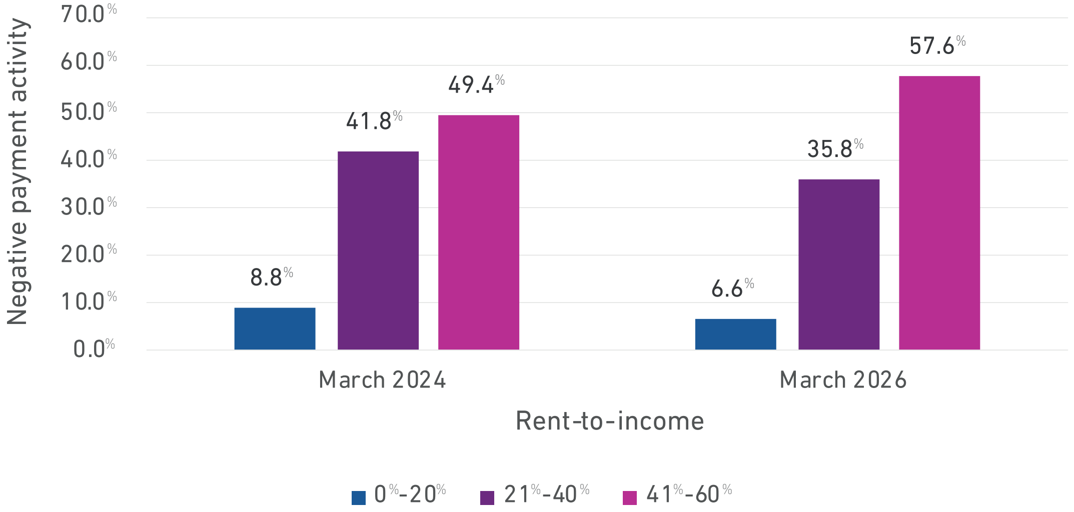
- Mid-rent renters remain the most strained
- Higher-rent households show rising negative activity as rent burdens increase

Negative payment activity by rent amount



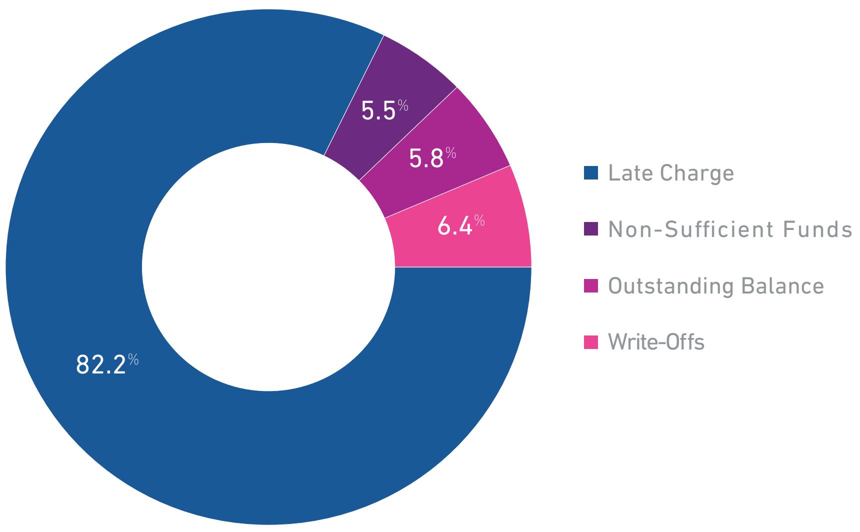
Rent burden is the clearest stress multiplier. Renters with **rent-to-income ratios above 40%** experienced an **8.2% increase in negative payment activity**, showing that affordability, not rent growth alone, can drive delinquency.

Negative activity by rent-to-income ratio



Late charges account for **82.2% of negative payment issues**, while **non-sufficient funds increased 15% year over year**, signaling tightening cash flow even in a slowing rent environment.

Breakdown of negative payment types



Regionally, payment stress improved across much of the South, stabilized in the Midwest and worsened in parts of the West and Northeast, closely mirroring rent-to-income patterns. Negative payment activity rose most significantly in the Sun Belt and Western states from 2024 to 2026. Arizona, New Mexico, and Hawaii led these increases, aligning with ongoing affordability challenges and rent inflation. By comparison, Nebraska, Wyoming and West Virginia experienced the steepest reductions in negative payment activity.

Why this matters

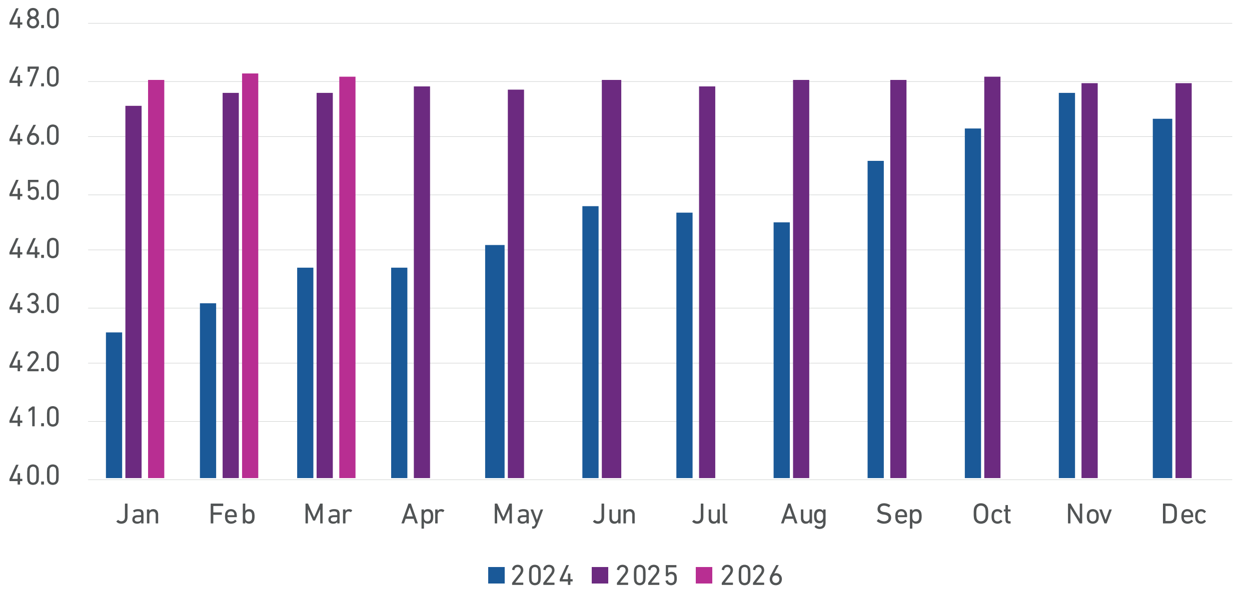
Improvements in headline rent metrics can mask pockets of rising risk. Monitoring rent burden, payment behavior and rent growth is essential for anticipating payment stress and portfolio performance.

THE AFFORDABILITY EQUATION

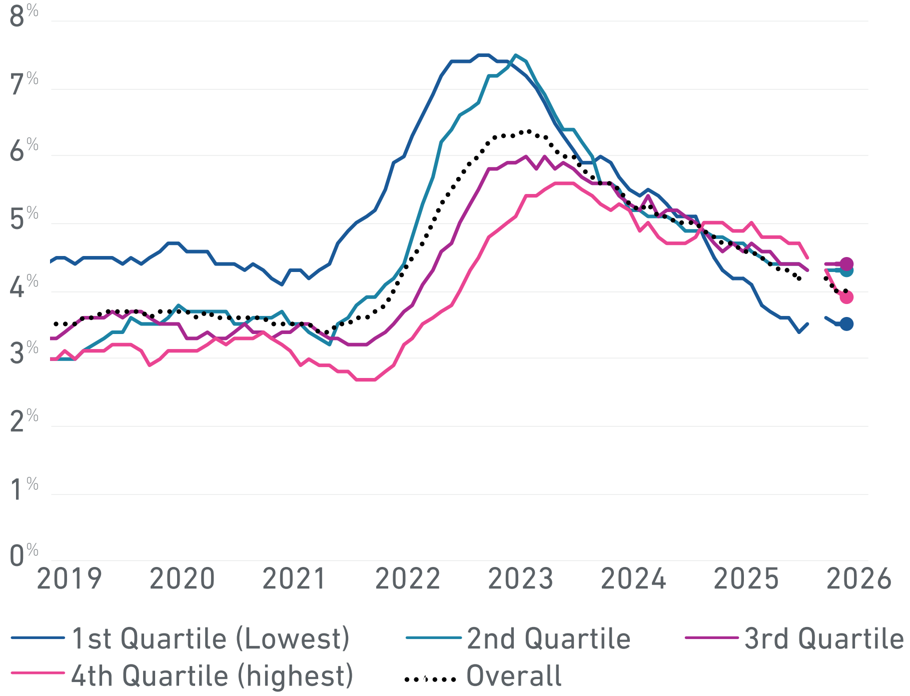
Rent to income pressure as the connective thread

Affordability sits at the center of the renter experience in 2026, reinforced by both housing costs and slowing income growth.

National rent-to-income trend



Wage growth by wage level:
12-month average median wage growth



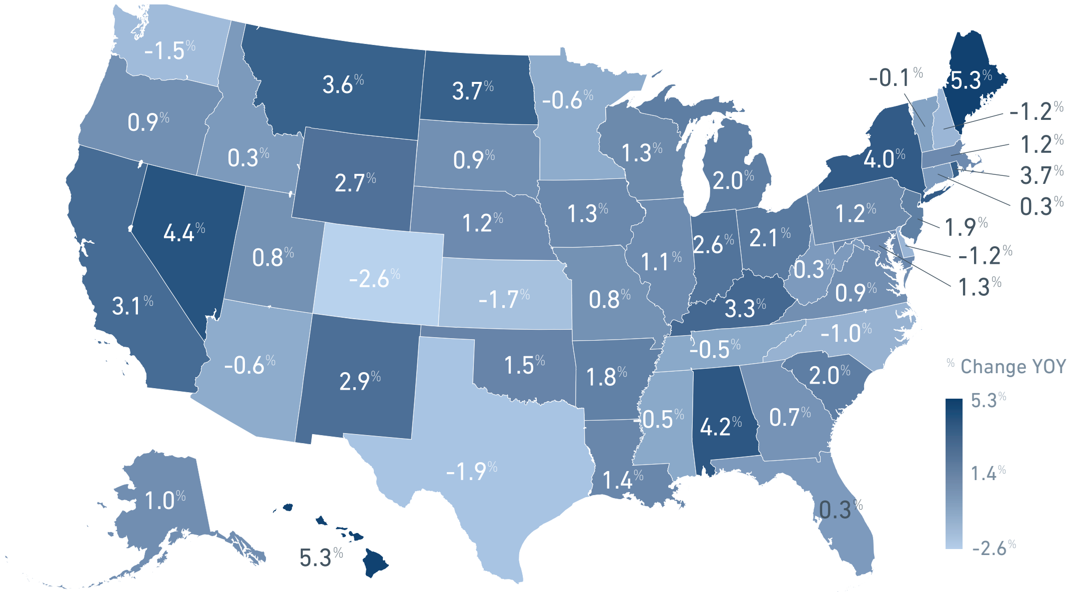
Source: Federal Reserve Bank of Atlanta

Average rent to income ratios rose to **47%**, an increase of **7.7% since March 2024**, meaning nearly half of renters' income now goes toward housing.

Rent-to-income ratio by generation		
Generation	March 2024	March 2026
Silent Gen	39.8	43.5
Boomer	39.5	43.1
Gen X	42.3	44.5
Older Gen Y	43.3	47.2
Younger Gen Y	44.3	47.5
Gen Z	53.3	51.9

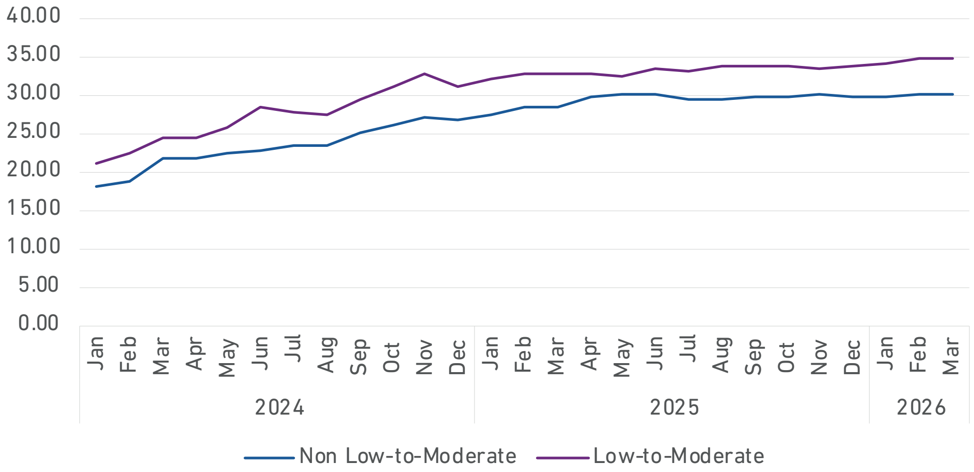
Generational patterns sharpen the picture. Rent-to-income ratios increased across all cohorts except Gen Z, though Gen Z remains the most rent burdened, allocating **51.9% of income to rent**. Millennials recorded the largest increases, reflecting rising costs during peak earning years.

YoY change in median rent-to-income



Geographic divides remain stark. **The Northeast (42.3%) and West (41.6%)** post the highest RTIs, while the Midwest remains the most affordable and stable. At the state level, **California, Massachusetts and D.C.** continue to exhibit the greatest strain.

Change in rental cost index



Income context offers little relief. Average renter income reached **$52.3K**, yet **60.8% of renters are low-to-moderate income**, spending **56.2% of income on rent**. The Rental Cost Index continues to rise across all income groups, with steeper increases among lower income renters.

Why this matters

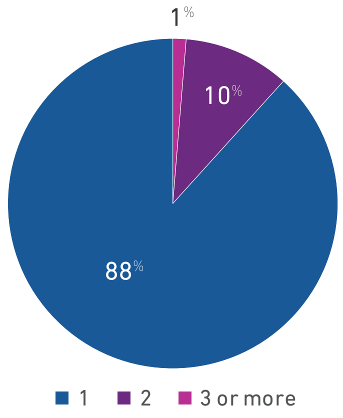
Slowing income growth means affordability pressure will persist even if rent increases stabilize, raising the importance of proactive risk management and renter engagement strategies.

MOVEMENT, MOBILITY AND MIGRATION

How renters respond when affordability tightens

When affordability compresses choice, renters adapt through movement.

Number of leases held by renters



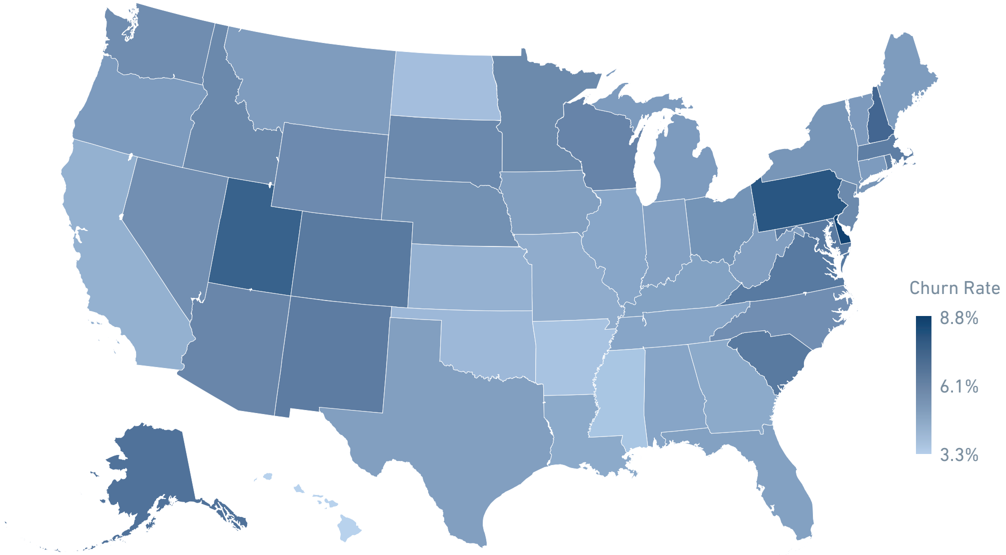
Generational distribution of renters with two or more leases

The share of renters holding a single lease declined to 88%, down from 92% in 2025. Mobility is most pronounced among Gen Y and Gen Z, while older renters remain comparatively stable.

Migration patterns reinforce affordability driven behavior. **Florida, Texas, Georgia and North Carolina** gained renter share from 2023 to 2025, while high cost or slowing growth states such as **California, Michigan and Ohio** experienced the largest declines.

Renters' movement to homeownership remains uneven. Smaller Northeastern and Mountain states see higher exit rates, while larger Sun Belt markets retain renters longer due to higher ownership costs. Renters who transitioned had an **average rent-to-income ratio of 25.2%**, underscoring affordability as a prerequisite to exit.

Renter churn to homeownership



City level trends add granularity. Coastal metros such as San Francisco and New York saw notable rent growth, while several Sun Belt cities, including Austin and El Paso, posted declines.

Why this matters

Rising mobility increases vacancy risk and operational complexity. Understanding affordability driven movement is key to pricing, retention and portfolio planning.

Top rent growth cities

City	Median Rent (2026)	YOY% increase
San Francisco, CA	2,868	14.7%
San Jose, CA	2,685	11.2%
Los Angeles, CA	2,123	8.6%
New York, NY	3,450	6.8%
Philadelphia, PA	1,500	5.5%
Pittsburgh, PA	1,355	5.4%
Saint Louis, MO	1,140	5.4%
Columbus, OH	1,274	5.3%
Albuquerque, NM	1,315	5.2%
Chicago, IL	1,760	5.1%

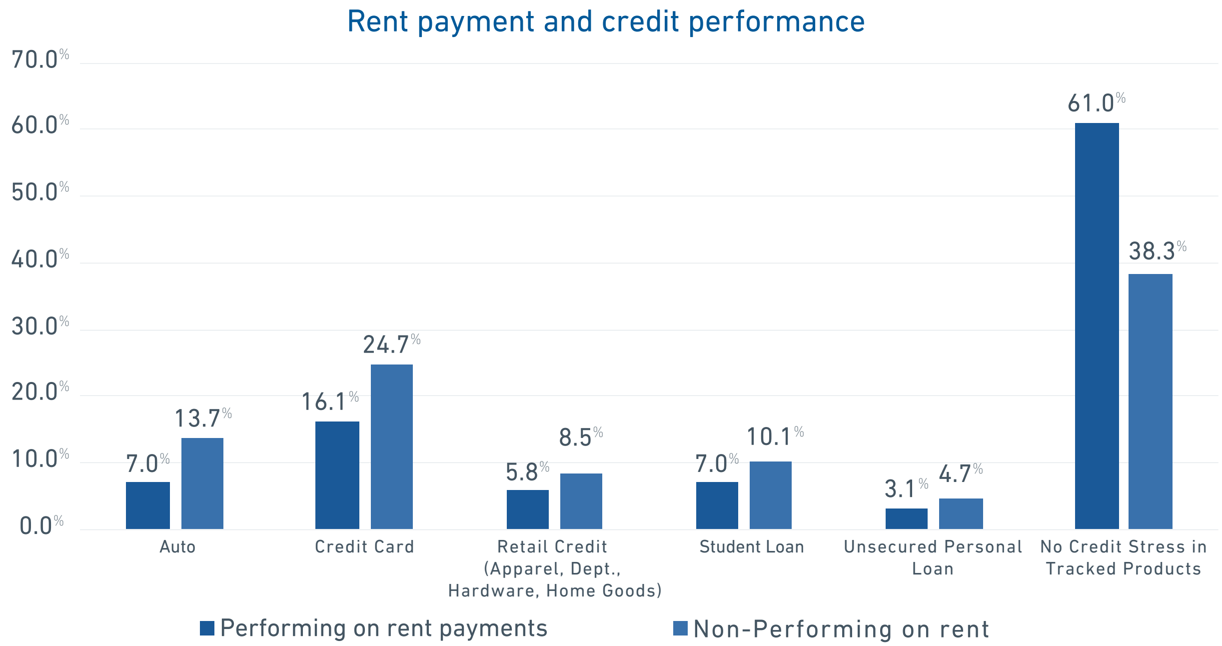
Lowest rent growth cities

City	Median Rent (2026)	YOY% increase
El Paso, TX	1,225	-12.5%
Colorado Springs, CO	1,750	-7.7%
Austin, TX	1,512	-4.5%
Fort Worth, TX	1,582	-4.1%
Raleigh, NC	1,550	-3.0%
Arlington, TX	1,457	-2.9%
San Antonio, TX	1,366	-2.8%
Mesa, AZ	1,675	-0.6%
Charlotte, NC	1,669	-0.5%
Portland, OR	1,681	-0.4%
Denver, CO	1,799	-0.2%

FINANCIAL CONDITIONS FACING RENTERS

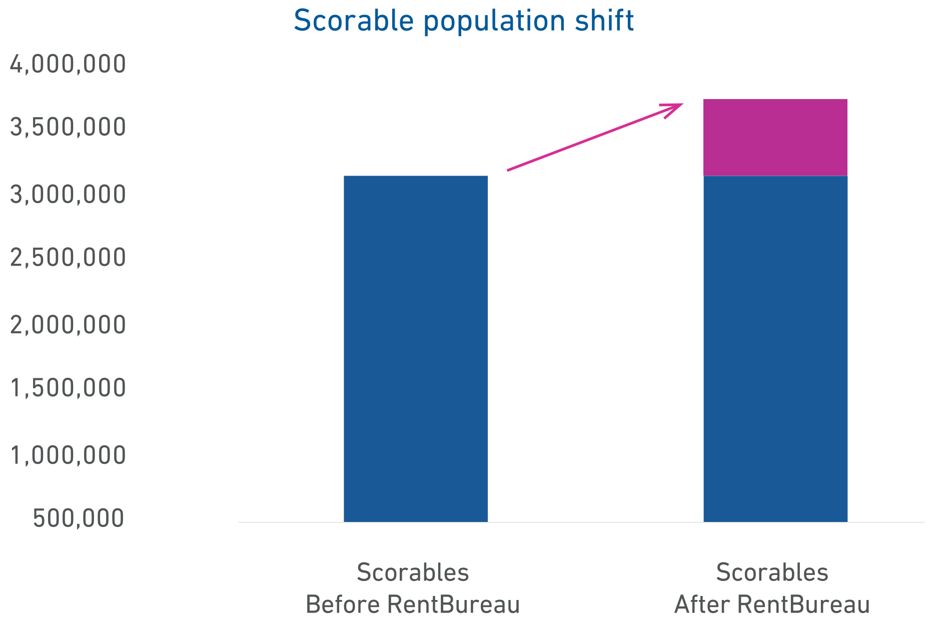
Beyond rent: credit performance and financial outcomes

Housing pressure increasingly intersects with broader financial health.



Renters who show negative rent behavior tend to show higher delinquency across other **credit products, most notably credit cards, auto loans and student loans**.

Even in a market defined by affordability pressure, rental payment reporting offers a meaningful bright spot for consumers. By recognizing rental payment history within the credit ecosystem, **605,321 previously unscorable consumers** became scorable, expanding access to conventional credit.



Roughly **34% of renters moved into a higher score tier**, creating a path for stronger financial profiles while giving property managers and landlords a more complete view of applicant risk. This movement is primarily concentrated among Prime and Near Prime renters, while Super Prime and Subprime segments remain largely stable.

Credit score tier transition matrix

% of row totals

	Super Prime	Prime	Near Prime	Subprime	No score	Counts (% of total)	
Super Prime	97.8%	2.2%			-	209,251	5.6%
Prime	21.4%	75.8%	2.6%	0.2%	-	1,260,257	33.7%
Near Prime	0.0%	28.3%	68.6%	3.1%	-	668,886	17.9%
Subprime		0.7%	18.6%	80.7%	-	995,808	26.6%
No score		9.6%	90.3%	0.1%	0.0%	605,321	16.2%

Summary Statistics

- 33.6% moved up
- 64.8% no change
- 1.6% moved down

Why this matters

Rental performance increasingly mirrors broader financial health. Incorporating rental data improves screening accuracy and creates opportunities to support responsible renters.

CONCLUSION

The renter story in 2026 is defined by the interaction of affordability, mobility and financial resilience. As renters adjust to higher costs and tighter budgets, rental businesses need deeper insight into behavior, risk and regional market dynamics. Those that understand these pressures most clearly will be better positioned to adapt, compete and support long-term renter stability.

For rental companies, this moment demands deeper insight and a more holistic view of renter behavior.

What this means for rental businesses

- Understand renter behavior more fully: Combine rental payment history with traditional credit data
- Prevent fraud before it happens: Pair identity verification with real-time and AI-enabled tools
- Support credit building: Rental payment reporting improves renter outcomes and screening precision
- Make smarter decisions: Behavioral insight reduces risk and supports fairer outcomes
- Navigate change with confidence: Holistic data help anticipate market shifts

As affordability continues to shape the rental market, success will belong to those who see renters not just as tenants, but as financial actors navigating persistent constraints and complex tradeoffs.

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 37 million unique consumers captured across 49 million lease records 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 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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