ZILLOW GROUP

NEWS RELEASE

A house doesn't have to mean a mortgage: Renting requires $14K less income than buying

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Single-family renters would need a $14,408 pay raise to comfortably afford to buy, helping explain why rental demand is up 22%

- A household that can comfortably afford to rent a single-family home would need a $14,408 annual raise to afford the monthly costs of owning a home.
- Rental demand is up 22.1% year over year nationwide, as measured by the Zillow Observed Renter Demand Index, with demand for single-family rentals up 24.3%.
- The typical U.S. single-family rent was $2,243 a month in October, up 3.2% from a year ago, while the typical multifamily rent was $1,744, up 2.5%, according to the Zillow Observed Rent Index.

SEATTLE, Nov. 12, 2026 /PRNewswire/ -- Wanting a more suburban lifestyle — the extra space, yard and garage that often come with a single-family home — doesn't always mean stretching the budget to buy. In fact, it's a stretch most families aren't prepared to make, especially when a household comfortably affording the rent for a single-family home would need a $14,408 pay raise to cover the monthly costs of owning one, even before saving for a down payment, according to the latest **Zillow® Rental Market Report**.

Nationally, the typical single-family rent is $2,243 a month, compared with $2,603 a month to own a single-family home with 20% down, or $360 more each month. To comfortably afford those costs — the rule of thumb being to spend no more than 30% of its income on housing — a household needs an income of $89,724 to rent and $104,132 to buy.

"For a growing number of households, renting a house is a legitimate financial strategy," said Kara Ng, senior economist at Zillow. "You get many of the lifestyle benefits, but it takes less income than owning and keeps more

flexibility in the monthly budget. That's the appeal for the deliberate renter."

The size of the raise depends on the market

The pay raise needed to buy is now the highest since early 2025, more than double the $6,463 it took in February 2026, when mortgage rates briefly fell below 6%. The gap looks very different from market to market. It's largest in San Jose, where the income needed to buy ($404,925) is more than double the income needed to rent ($190,561), a gap of $214,364. The next largest gap is in San Francisco ($139,353), followed by San Diego ($84,101), New York ($78,208) and Los Angeles ($78,003). The smallest annual gaps are in Pittsburgh ($2,554), Houston ($4,500) and Cincinnati ($4,774). Buffalo is the only market where buying would not require a raise.

Even with such a raise, would-be buyers still face another hurdle: saving a 20% down payment. About 30% of mortgage buyers use a gift or loan from family or friends, and 46% draw on two or more sources, including the use of **down payment assistance programs**, according to **Zillow's 2026 Consumer Housing Trends Report**.

In addition to the monthly cost, households deciding between renting and buying should weigh the upfront costs of buying, the chance to build equity and the opportunity for renters to invest their down payment instead. Zillow's **rent vs. buy research** puts the national break-even timeline — the number of years a household would need to own before buying comes out ahead — at 7.8 years with 20% down.

Rental demand keeps climbing

As renting a house becomes an increasingly better value, more shoppers are turning to rentals. Rental demand is up 22.1% year over year nationwide, according to the Zillow Observed Renter Demand Index (ZORDI). Demand for single-family rentals is up 24.3%, roughly double the 12.1% rise for multifamily rentals.

Rental demand surges in the Bay Area and the Sun Belt

Demand rose the most in San Jose, where ZORDI is up 78.9% from a year ago, followed by San Francisco (60.5%), Austin (59.6%), Miami (51.5%) and Jacksonville (47.9%). San Jose and San Francisco are also among the markets where buying is furthest out of reach, and where rents are rising quickly, up 8.9% and 12.2% respectively. In Austin, Miami and Jacksonville, rent growth is more moderate, at 1.1%, 2.1% and 2.6%.

Not every market is following the national trend. ZORDI is down year over year in Providence (-4.3%), Richmond (-1.9%), Baltimore (-1.7%), Hartford (-1.3%) and Washington, D.C. (-0.9%).

For renters who are ready to make a move, Zillow brings together single-family homes and **rooms for rent** in one

place, and **Zillow's portable rental application** makes applying simpler: one form, one flat fee and 30 days to apply to as many participating properties as needed.

Metro area*	Zillow Observed Renter Demand Index (ZORDI), Year over Year	Typical single-family rent, Zillow Observed Rent Index (ZORI)	Income needed to rent a single-family house	Income needed to buy (20% down) a single-family house	Pay raise needed to buy a single-family house
United States	22.1 %	$2,243	$89,724	$104,132	$14,408
New York, NY	26.0 %	$3,490	$139,614	$217,822	$78,208
Los Angeles, CA	28.8 %	$4,417	$176,699	$254,702	$78,003
Chicago, IL	31.8 %	$2,509	$100,357	$111,663	$11,306
Dallas, TX	43.8 %	$2,325	$93,009	$110,818	$17,809
Houston, TX	36.5 %	$2,188	$87,509	$92,009	$4,500
Washington, DC	-0.9 %	$3,159	$126,352	$160,058	$33,707
Philadelphia, PA	20.6 %	$2,260	$90,386	$115,196	$24,810
Miami, FL	51.5 %	$3,407	$136,284	$148,873	$12,589
Atlanta, GA	32.2 %	$2,247	$89,896	$107,994	$18,097
Boston, MA	17.2 %	$3,498	$139,920	$203,182	$63,261
Phoenix, AZ	40.4 %	$2,290	$91,592	$115,070	$23,479
San Francisco, CA	60.5 %	$4,190	$167,586	$306,939	$139,353
Riverside, CA	32.7 %	$3,121	$124,854	$160,573	$35,719
Detroit, MI	9.6 %	$1,645	$65,806	$77,695	$11,889
Seattle, WA	8.6 %	$3,349	$133,977	$197,243	$63,266
Minneapolis, MN	19.0 %	$2,465	$98,591	$114,478	$15,886
San Diego, CA	23.5 %	$4,135	$165,389	$249,491	$84,101
Tampa, FL	30.2 %	$2,359	$94,361	$108,456	$14,095
Denver, CO	22.6 %	$2,875	$114,984	$151,621	$36,637
Baltimore, MD	-1.7 %	$2,463	$98,533	$114,762	$16,228
St. Louis, MO	1.0 %	$1,666	$66,649	$82,464	$15,815
Orlando, FL	21.1 %	$2,423	$96,915	$113,826	$16,911
Charlotte, NC	17.4 %	$2,164	$86,555	$103,899	$17,344
San Antonio, TX	34.2 %	$1,813	$72,526	$84,140	$11,615
Portland, OR	25.1 %	$2,663	$106,509	$149,645	$43,136
Sacramento, CA	22.0 %	$2,788	$111,511	$158,343	$46,833
Pittsburgh, PA	15.7 %	$1,649	$65,975	$68,529	$2,554
Cincinnati, OH	8.8 %	$2,105	$84,184	$88,959	$4,774
Austin, TX	59.6 %	$2,260	$90,419	$127,214	$36,795
Las Vegas, NV	20.7 %	$2,221	$88,822	$110,530	$21,708
Kansas City, MO	12.8 %	$1,747	$69,886	$97,242	$27,356
Columbus, OH	5.3 %	$2,084	$83,349	$97,169	$13,821
Indianapolis, IN	27.1 %	$1,883	$75,305	$84,149	$8,844
Cleveland, OH	1.4 %	$1,706	$68,237	$76,839	$8,602
San Jose, CA	78.9 %	$4,764	$190,561	$404,925	$214,364
Nashville, TN	13.3 %	$2,328	$93,106	$121,000	$27,895
Virginia Beach, VA	46.1 %	$2,301	$92,041	$106,552	$14,512
Providence, RI	-4.3 %	$3,012	$120,462	$148,413	$27,951
Jacksonville, FL	47.9 %	$2,039	$81,570	$104,901	$23,331
Milwaukee, WI	6.2 %	$1,792	$71,691	$112,196	$40,504
Oklahoma City, OK	16.9 %	$1,552	$62,061	$76,160	$14,099
Raleigh, NC	26.5 %	$2,109	$84,346	$119,043	$34,697
Memphis, TN	37.2 %	$1,594	$63,741	$73,372	$9,631
Richmond, VA	-1.9 %	$2,224	$88,979	$108,673	$19,694
Louisville, KY	1.6 %	$1,665	$66,620	$80,112	$13,492
New Orleans, LA	11.4 %	$1,838	$73,506	$83,805	$10,299
Salt Lake City, UT	4.5 %	$2,452	$98,082	$146,373	$48,292
Hartford, CT	-1.3 %	$2,514	$100,563	$124,393	$23,830
Buffalo, NY	28.8 %	$1,921	$76,856	$76,856	$0
Birmingham, AL	35.1 %	$1,563	$62,532	$72,254	$9,721

*Table ordered by market size

About Zillow Group:

Zillow Group, Inc. (Nasdaq: Z and ZG) is reimagining real estate to make home a reality for more and more people.

As the most visited real estate app and website in the United States, Zillow connects hundreds of millions of consumers with innovative technology, trusted agents and loan officers, and seamless digital solutions. With industry-leading tools and resources, Zillow supercharges real estate professionals so they can grow their businesses and deliver exceptional client experiences. For renters and housing providers, Zillow offers not only a robust marketplace but a set of end-to-end products and services to streamline applications, leases, payments and more.

Zillow's ecosystem spans the entire home journey — from dreaming and shopping to renting, buying, selling and financing.

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