ZILLOW GROUP

NEWS RELEASE

Rents near $2,000, rising at the fastest pace in over a year

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Rents are rising and demand is strong, but property managers aren't rushing to cut concessions

- The Zillow Observed Rent Index (ZORI) shows the typical U.S. asking rent rose to $1,962 in July, up 2.3% annually — the fastest pace in more than a year.
- 39.8% of rentals on Zillow offered a concession in July, up from 35.9% a year ago.
- A household needs $78,488 in annual income to afford the typical U.S. rental, compared to nearly $99,800 to afford a typical mortgage payment — a gap of more than $21,000.

SEATTLE, Aug. 18, 2026 /PRNewswire/ -- The wave of new apartments that gave renters more options and more deals over the past two years is beginning to recede. The typical U.S. asking rent rose to $1,962 in July, up 2.3% from a year ago, the fastest annual pace in over a year, according to the **Zillow® Rental Market Report** for July. Even as rent growth picked up speed, 2 in 5 listings still offered a concession, a lasting benefit of the construction boom.

What has changed isn't demand; it's supply. The historically large number of new apartments that hit the market over the past couple of years increased supply and gave renters room to negotiate. As that pipeline narrows, the market is gradually tightening — **multifamily permits in the second quarter** were 31% below their most recent peak in 2022.

"Renters have benefited from one of the most favorable supply surges in decades," said Mischa Fisher, chief economist at Zillow. "But nationally, we're approaching an inflection point. The supply tailwind is fading, rent growth is picking back up, and concession rates that have been climbing for two years are expected to start easing."

Why concessions are holding and what it means

The 39.8% national concession rate is up nearly 4 percentage points from a year ago, driven by markets where supply came online fastest: Charlotte (68.1%), Denver (67.2%) and Dallas (65.6%) all top 65%. Even as rent growth accelerates, the share of listings offering a concession continues to rise, reflecting just how much new supply hit these markets in a short period of time. In markets that didn't build as much, deals are scarce and rents are rising fast: San Francisco rents are up 9.7% year over year ($3,372), San Jose is up 7% ($3,782), and Chicago is up 5.1% ($2,253).

Elevated cost of homeownership keeps rental demand strong

The typical U.S. renter spends about 26.8% of their income on rent, below the 30% threshold traditionally considered a cost burden. Comfortably affording the typical rental requires $78,488 in annual income, compared to nearly $99,800 to afford a typical home purchase — a gap of more than $21,000 that has widened significantly as home prices and mortgage rates have climbed. With **mortgage rates holding above 6.5%**, a large share of would-be buyers are staying in the rental market, providing demand that isn't going anywhere.

Single-family rent growth outpaces apartments

Single-family rents rose 3% to $2,314, far outpacing the 1.7% gain for multifamily units, which now sit at $1,786, reflecting how heavily new construction skewed toward apartments. As that inventory is absorbed, multifamily rent growth is expected to follow the single-family trend upward.

Zillow forecasts multifamily rents to rise around 1.9% for the full year, and single-family rents to increase closer to 2.9%. Both figures remain below the long-run historical average, even as growth reaccelerates from the unusually soft pace of the past two years. Concession rates are expected to ease gradually as the market tightens.

Metro	Typical Rent, Zillow Observed Rent Index (ZORI)	Rent Year over Year	Concession Share	Renter Affordability
United States	$1,962	2.3 %	39.8 %	26.8 %
New York, NY	$3,627	4.5 %	17.5 %	40.9 %
Los Angeles, CA	$2,944	1.5 %	31.2 %	34.1 %
Chicago, IL	$2,253	5.1 %	23.7 %	27.9 %
Dallas, TX	$1,667	0.1 %	65.6 %	20.0 %
Houston, TX	$1,654	0.0 %	55.7 %	22.8 %
Washington, DC	$2,456	0.4 %	54.0 %	21.9 %
Philadelphia, PA	$1,925	3.4 %	31.3 %	23.7 %
Miami, FL	$2,677	1.4 %	28.6 %	37.1 %
Atlanta, GA	$1,855	2.1 %	58.4 %	22.5 %
Boston, MA	$3,165	2.6 %	28.4 %	29.9 %
Phoenix, AZ	$1,727	0.3 %	61.3 %	21.5 %
San Francisco, CA	$3,372	9.7 %	24.8 %	27.9 %
Riverside, CA	$2,547	2.5 %	30.1 %	31.4 %
Detroit, MI	$1,531	3.6 %	24.1 %	22.5 %
Seattle, WA	$2,282	1.4 %	52.5 %	22.9 %
Minneapolis, MN	$1,725	3.5 %	40.5 %	19.8 %
San Diego, CA	$3,008	1.8 %	37.6 %	30.7 %
Tampa, FL	$2,013	-0.5 %	51.7 %	28.7 %
Denver, CO	$1,930	-0.9 %	67.2 %	20.0 %
Baltimore, MD	$1,946	2.5 %	39.4 %	22.1 %
St. Louis, MO	$1,445	4.3 %	29.2 %	19.9 %

Orlando, FL	$1,959	0.6 %	55.2 %	27.1 %
Charlotte, NC	$1,756	0.6 %	68.1 %	22.7 %
San Antonio, TX	$1,425	-1.8 %	56.8 %	20.4 %
Portland, OR	$1,810	0.3 %	47.7 %	20.4 %
Sacramento, CA	$2,296	1.7 %	32.8 %	26.0 %
Pittsburgh, PA	$1,499	3.4 %	25.4 %	21.6 %
Cincinnati, OH	$1,552	2.7 %	33.5 %	21.4 %
Austin, TX	$1,647	-0.9 %	65.1 %	18.7 %
Las Vegas, NV	$1,747	0.2 %	57.9 %	24.4 %
Kansas City, MO	$1,546	3.7 %	35.1 %	20.6 %
Columbus, OH	$1,519	1.9 %	47.9 %	20.4 %
Indianapolis, IN	$1,571	2.7 %	50.0 %	22.2 %
Cleveland, OH	$1,476	4.3 %	24.7 %	23.6 %
San Jose, CA	$3,782	7.0 %	22.2 %	25.5 %
Nashville, TN	$1,820	0.6 %	63.0 %	23.0 %
Virginia Beach, VA	$1,877	5.9 %	18.9 %	25.5 %
Providence, RI	$2,180	3.6 %	11.4 %	30.1 %
Jacksonville, FL	$1,711	1.4 %	50.2 %	23.5 %
Milwaukee, WI	$1,545	4.7 %	19.7 %	22.3 %
Oklahoma City, OK	$1,390	2.4 %	30.2 %	21.2 %
Raleigh, NC	$1,683	0.5 %	65.4 %	18.4 %
Memphis, TN	$1,422	1.2 %	40.3 %	23.5 %
Richmond, VA	$1,751	2.7 %	47.8 %	23.8 %
Louisville, KY	$1,357	1.8 %	43.3 %	20.5 %
New Orleans, LA	$1,604	1.2 %	23.0 %	28.9 %
Salt Lake City, UT	$1,647	0.5 %	66.5 %	18.4 %
Hartford, CT	$2,020	2.8 %	21.4 %	24.1 %
Buffalo, NY	$1,446	3.3 %	8.2 %	22.6 %
Birmingham, AL	$1,456	1.4 %	39.9 %	21.6 %

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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