REDFIN

Redfin Reports Roughly One-Third of Renters Have an Apartment That Costs Less Than $1,000 a Month—the Lowest Share on Record

40% of renters that pay under $1,000 a month have lived in their apartments for five years or more—a higher share than renters in all other price brackets

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — Less than one-third (32.1%) of renter households pay under $1,000 in monthly rent—the lowest share on record, according to a new [report](#) from Redfin (redfin.com), the technology-powered real estate brokerage. That's down from 35.2% in 2022 and 50.4% in 2012.

The lion's share (47.9%) of renter households pay between $1,000 and $1,999, while 14.4% pay $2,000-$2,999 and 5.7% pay $3,000 or more.

Redfin's report is based on an analysis of U.S. Census Bureau data released this month, and covers U.S. apartments in buildings with five or more units. The most recent year for which the Census has data is 2023. Historical rents are inflation-adjusted to represent 2023 dollars.

Rents skyrocketed during the pandemic moving frenzy and then stabilized near their record high, which is why the share of rental listings under $1,000 has been shrinking. The median apartment asking rent now sits at $1,634, little changed from last year but up roughly 20% from before the pandemic.

"Rising rents have made it increasingly difficult for people to find housing in America," said Redfin Senior Economist Sheharyar Bokhari. "Low-income workers, college students, immigrants and people on the fringes of homelessness have had to come up with new ways to be resourceful, with some taking on multiple roommates and others receiving financial support from family or friends."

Less Than 10% of Apartments on the Market Today Cost Under $1,000, Prompting Many Renters to Stay Put

While about one of every three renter households pays less than $1,000 in monthly rent, as noted above, the share of apartments that are currently listed for under $1,000 is much lower.

Roughly one of every thirteen (7.5%) apartments on the market has an asking rent below $1,000. The majority—63.7%—cost between $1,000 and $1,999. Meanwhile, 22% are listed for $2,000-$2,999, and 6.9% are listed for $3,000 or more. That's based on listing data from

Redfin.com and Rent.com covering the three months ending Sept. 30, 2024. Please note that the remainder of Redfin's report uses Census data through 2023.

Some renters who pay less than $1,000 a month are staying put because they don't make enough money to afford the typical apartment on the market today. Many signed their leases years ago, when housing was more affordable. Property owners do often raise rents for existing tenants, but those increases are typically smaller than the increases they institute when looking for a new tenant.

Two of every five (40.2%) renter households paying under $1,000 a month have been in their apartment for five years or more, compared with 26.1% of renters paying $1,000-$1,999, 17.2% of renters paying $2,000-$2,999 and 15.6% of renters paying $3,000 or more.

Renters in Oklahoma City, New Orleans and Cleveland Are Most Likely to Pay Under $1,000 a Month

Nearly two-thirds (64.3%) of renter households in Oklahoma City pay less than $1,000 in monthly rent—the highest share among the 50 most populous core-based statistical areas (CBSAs). Next come New Orleans (63.5%), Cleveland (63.4%), Louisville, KY (57.6%) and Pittsburgh (55.8%). There are four other metros where the majority of renters pay under $1,000: Buffalo, NY (55.2%), Cincinnati (54.9%), St. Louis (53.9%) and Memphis, TN (53.5%).

The aforementioned metro areas have among the lowest asking rents in the country, but it's worth noting that some have seen large increases lately—likely because those low rents have fueled an uptick in demand. The median asking rent in Cleveland, for example, rose 11.1% year over year last month—one of the largest jumps among the metros Redfin analyzed. Cincinnati and Louisville also saw sizable increases.

Renters in California Are Least Likely to Pay Under $1,000 a Month

In San Diego, just 7.1% of renter households pay less than $1,000 in monthly rent—the lowest share among the 50 most populous metros. Next came San Jose, CA (7.8%), Washington, D.C. (8%), Denver (8.5%) and Austin, TX (9.1%). All are places that have either long been expensive or exploded in popularity in recent years, causing rents to rise.

There Are Four Metros Where Renters Are More Likely Than They Were Before the Pandemic to Pay Under $1,000 a Month

In Baltimore, one-quarter (25.1%) of renter households pay less than $1,000 in monthly rent, up from 21.6% in 2019—the biggest increase among the metros Redfin analyzed. Three other metros saw increases: New Orleans (63.5% from 60.5%), New York (24.9% from 23.7%) and Los Angeles (13% from 12.3).

On the other end of the spectrum is Birmingham, AL, where 44% of renter households pay under $1,000. That's down from 61.7% in 2019—the largest decline among the metros Redfin analyzed. Next came Phoenix (12.4% from 28.1%), Las Vegas (17.8% from 32.5%), Charlotte, NC (16.4% from 30.8%) and Richmond, VA (18.6% from 33%).

Many of those metros, such as Phoenix, surged in popularity during the pandemic. That

drove up demand for housing, and in turn, rents—which is why they have seen large declines in the share of renters paying under $1,000.

To view the full report, including charts, additional metro-level data, and full methodology, please visit:
https://www.redfin.com/news/apartments-for-rent-under-1000

About Redfin

Redfin (www.redfin.com) is a technology-powered real estate company. We help people find a place to live with brokerage, rentals, lending, title insurance, and renovations services. We run the country's #1 real estate brokerage site. Our customers can save thousands in fees while working with a top agent. 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 have our renovations crew fix it up 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 $1.6 billion in commissions. We serve more than 100 markets across the U.S. and Canada and employ over 4,000 people.

Redfin's subsidiaries and affiliated brands include: Bay Equity Home Loans®, Rent.™, Apartment Guide®, Title Forward® and WalkScore®.

For more information or to contact a local Redfin real estate agent, visit www.redfin.com. To learn about housing market trends and download data, visit the Redfin Data Center. To be added to Redfin's press release distribution list, email press@redfin.com. To view Redfin's press center, click here.

View source version on businesswire.com:
https://www.businesswire.com/news/home/20241030875714/en/

Contact Redfin
Redfin Journalist Services:
Kenneth Applewhaite
press@redfin.com

Source: Redfin